Foreign Broadcast Information Service 50 ANNIVERSARY 1941 - 1991

Daily Report

East Asia

FBIS-EAS-91-137
Wednesday
17 July 1991

Daily Report
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FBIS-EAS-91-137 *17 July 1991*

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Japan

Officials Remark on London Summit Results

Political Declaration Hailed

OW1707040691 Tokyo KYODO in English 0356 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—Chief Cabinet Secretary Misoji Sakamoto on Wednesday hailed a political declaration issued by summiteers in London which urges the Soviet Union to extend its "new thinking" diplomacy to all parts of the world.

Sakamoto said at a daily press conference, "I am very glad other summit leaders showed understanding on Japan's position that the Northern Territories issue is not only a bilateral problem but holds global implications."

A Japanese diplomat accompanying Prime Minister Toshiki Kaifu said Tuesday in London that the call for global application of Soviet President Mikhail Gorbachev's "new thinking" reflects Japan's position and replaces the mention of the territorial dispute between Japan and the Soviet Union in the communique issued at the 1990 Houston summit.

According to Japanese Foreign Ministry officials, Gorbachev, who showed his toleration of the unification of Germany in Europe, is not ready to apply his new thinking diplomacy in Asia and refuses to return islands off northern Japan that the Soviet Union seized in the closing days of World War II.

More on Sakamoto's Remarks

OW1707041991 Tokyo NHK General Television Network in Japanese 0300 GMT 17 Jul 91

[Text] During a news conference this morning, Chief Cabinet Secretary Sakamoto spoke highly of declarations and statements issued at the London summit, saying as follows:

The political declaration notes that the Soviet new thinking diplomacy should be applied throughout the whole world, including Asia. This means that understanding is being shown for Japan's position that the Northern Territories issue should be solved, not simply as a bilateral problem but as a global issue.

Even on the question of arms reduction and control, I think it gratifying that the special declaration proposes requiring reports on international transactions involving conventional weapons in order to ensure that they are done equitably. Japan has been calling for this for some time.

Ministry Welcomes Communique

OW1707125791 Tokyo KYODO in English 1226 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—The Ministry of Agriculture, Forestry and Fisheries welcomed the economic communique produced in London by leaders of the Group of Seven industrial nations Wednesday, because it reflects Japan's stance on agriculture trade.

In their 13-page communique, the G-7 leaders set a deadline of the end of this year for a successful conclusion to ongoing global trade talks and pointed out that "non-trade concerns" must be taken into account in achieving substantial reductions of farm support and protection.

A ministry official said the G-7 leaders did not mention the word "food security" as they did in their communique at the Houston summit last year, but the words "non-trade concerns" refer to "food security" or a concept championed by Japan to ensuself- sufficiency in the staple.

"Food security is included in non-trade concerns. And in this sense, Japan's position is reflected" in the communique, the official said anonymously.

But the official said that it is difficult to predict how negotiations on agriculture trade covered by the Uruguay Round of global trade talks will proceed on the G-7 leaders' pledge to bring the Uruguary Round to a successful conclusion by the end of this year.

This is because clear differences between the United States and the European Community remain over how to reduce export subsidies and domestic protection, he noted.

Agriculture is one of the 15 sectors subject to the trade talks under the General Agreement on Tariffs and Trade, which aims to draft new rules on free global trade.

Another ministry official said a key to a successful conclusion to the Uruguay Round is how the EC will act on its common agriculture policy which is now under review.

The European Commission offered a proposal last week to overhaul EC farm support policies, but it has met strong criticism from EC agriculture ministers as it calls for deep changes in the EC's common agriculture policy to curb massive overproduction and cut expensive subsidies to farmers.

Reportage on Officials' Visit to London

WA1607151291

For reportage on the visit by Prime Minister Toshiki Kaifu and Finance Minister Ryutaro Hashimoto to London to attend the World Economic Summit, see the International Affairs section of the 15 July West Europe DAILY REPORT and subsequent issues.

Official on Possible Funds for South Africa

OW1607165191 Tokyo KYODO in English 1516 GMT 16 Jul 91

[Text] Tokyo, July 16, KYODO—The London summit could pave the way for South Africa to borrow badly needed funds from development banks to help resuscitate its recession-mired economy, a Japanese Foreign Ministry official said Tuesday.

The leaders of the world's seven major economic powers agreed in a political declaration issued Tuesday that South Africa needs to pursue "new economic, investment, and other policies that permit normal access to all sources of foreign borrowing."

The declaration cited an "urgent need" to restore economic growth and made no mention of economic sanctions.

Analysts said, however, it is unclear whether the ambiguous wording signaled that the United States might soon reverse its opposition to providing Pretoria with funds from institutions such as the International Monetary Fund.

The United States has a major say in the fund's operations.

"The implication is that it is now nearly time for international financial institutions to lift their financial sanctions against South Africa," said the Foreign Ministry official, who declined to be named.

"The declaration says that South Africa now needs economic assistance, not sanctions," he said.

The declaration welcomed the disposal of the last legislative pillars of apartheid, scrapped by South Africa's parliament last month, and called for early negotiations on a new constitution aimed at establishing a nonracial democracy.

It also said economic growth is urgently needed in order to help reduce inequalities in wealth and opportunity.

Before the summit, the U.S., responding to South Africa's abolition of apartheid legislation, removed major sanctions on trade.

Japan removed restrictions on cultural and sports ties last month, and officials have said it is poised to remove other sanctions on trade after Prime Minister Toshiki Kaifu returns from Europe.

Japan still bans direct investment in South Africa.

Power Firm To Help PRC Improve Nuclear Safety

OW1707111491 Tokyo KYODO in English 1046 GMT 17 Jul 91

[Text] Osaka, July 17 KYODO—Kansai Electric Power Co. will exchange nuclear power plant engineers with China with the aim of helping China ensure safety at its nuclear power plants, company officials said Wednesday.

In a first step, Kansai Electric, one of Japan's nine major electric power companies, will invite five engineers from a nuclear power plant now under construction in China's Guangdong Province for seven to 10 days in October, they said.

Kansai Electric, meanwhile, will dispatch its engineers to the Chinese plant during the same period, they noted.

The exchange of nuclear power plant engineers will be implemented under a program devised by the World Association of Nuclear Operators (WANO), a Paris-based body that groups nuclear power plant operators in 31 countries, including Japan and the United States, they said.

The WANO was set up in 1989 to assist in the exchange of information on the design and operation of nuclear reactors, and to prevent accidents.

The Chinese nuclear power plant is slated to become operational next year, the Kansai Electric officials said.

MITI Files Charges Over Exports to Iran

OW1707135891 Tokyo KYODO in English 1255 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—The Ministry of International Trade and Industry (MITI) said Wednesday it has filed a complaint with police accusing a major Tokyo aerospace electronic equipment maker of illegally exporting missile parts to Iran during its 1980- 88 war with Iraq.

The ministry's complaint said Japan Aviation Electronics Industry [JAEI] Ltd., an affiliate of electronics giant NEC Corp., violated Article 48 of the Foreign Exchange and Trade Control Law, according to MITI officials.

The officials said that the company repaired essential parts, known as rollerons, for the U.S.-designed sidewinder air-to-air missile. The rollerons, which resemble tiny flywheels, are attached to the missile's fins and help the heat-seeking missile find its target.

The officials said JAEI illegally imported the parts, repaired them, and sent them to Singapore without permission from MITI, allegedly with the knowledge that they were actually going to Iran.

MITI believes the illegal shipping continued from May 22, 1988, to April 4, 1989.

Japan forbids arms exports to communist nations, to countries to which the United Nations has barred arm exports, and to countries directly involved or likely to be involved in international conflicts.

Permission is also required from the minister of international trade and industry for arms transactions, the officials pointed out.

Police also suspect that the company illegally shipped gyroscopes and other components of navigation systems to Iran.

Iran was suffering from a desperate shortage of parts for its weapons because of an embargo imposed by the U.S. and other Western countries.

Jetro: Investment Interest in ASEAN Declines

OW1707075291 Tokyo KYODO in English 0527 GMT 17 Jul 91

[Text] Singapore, July 17 KYODO—The appeal of Eastern Europe, which has just opened its doors to democratic change and a market economy, may have diverted the attention of some Japanese companies away from the Southeast Asian region, according to an official of the Japan External Trade Organization (Jetro).

Toshio Tanaka, director of economic information at Jetro's Singapore office, was commenting Wednesday on a survey conducted by the organization this year which showed that fewer Japanese companies were interested in investing in most of the countries of the Association of Southeast Asian Nations (ASEAN) compared with a year before.

The survey was done in January this year and covered 730 Japanese companies interested in investing abroad.

Thailand, which still has the greatest attraction for Japanese investors among the ASEAN six, lost some of its luster, according to the survey, with only 198 Japanese companies expressing interest in pumping their money there, down from 262 the year before.

Singapore, beset by land and labor shortages, drew 106 Japanese companies in the survey, compared with 150 last year.

In other results, 158 Japanese firms, down from 184 the previous year, said they were interested in Malaysia; 58 were keen on the Philippines, down from 85 last year; and five were attracted to Brunei, compared with nine the year before.

The exception was Indonesia, with 187 Japanese companies indicating interest in the country, up from 176 last year. Tanaka said Indonesia appealed to Japanese investors because of the Indonesia Government's recent moves to liberalize the economy, and the abundance of cheap labor there.

After being neglected for decades, Eastern European countries are now drawing Japanese investors, with 12 Japanese companies in the survey expressing interest in Hungary, and 15 in Austria and Poland.

Tanaka said the Persian Gulf war and a weak Tokyo stock market may have clouded the sentiment of the companies covered in the survey, which was conducted at the height of the Gulf crisis.

But he said the main factor for the declining interest in the region is because more Japanese companies are now looking at Eastern Europe.

Many of the Japanese companies surveyed said they planned to invest in construction and manufacturing projects in economically booming ASEAN countries.

Bank Begins Investigation of BCCI Fraud Case

OW1707082591 Tokyo KYODO in English 0744 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—The Bank of Japan [BOJ] has started an investigation into the Tokyo branch of BCCI over its giant fraud case, and will take appropriate steps, central bank governor Yasushi Mieno said Wednesday.

The BOJ the same day launched a two-day investigation into the conditions of the assets at the Tokyo branch of Bank of Credit and Commerce International SA (BCCI), controlled by the United Arab Emirates, Mieno told a press conference.

He said the BOJ did not follow suit when several central banks, including the Bank of England, froze the assets of BCCI last week because the Japanese central bank does not have the legal authority to freeze the assets of a foreign bank.

The governor of the Bank of England said on Friday that BCCI's auditors discovered evidence of fraud relating to concealment of losses from BCCI's loans and treasury operations.

The Bank of England coordinated the worldwide swoop to freeze BCCI assets in many of the 69 countries where the bank operates.

BCCI's Tokyo branch stopped operations on Monday, making it impossible for Japanese depositors to withdraw their money.

Mieno said at the press conference that the BOJ will monitor the probe at BCCI Headquarters, and will take appropriate measures as the development of the affair requires.

The assets of BCCI's Tokyo branch are 89.19 billion yen with deposits totaling 53.7 billion yen.

Japanese depositors at the bank could lose their money, since foreign banks are not covered by the Japanese deposit insurance system.

Mieno said it is worth considering whether the insurance system should also be applied to foreign banks.

But he brushed off the concern that the BCCI case could have any serious effect on the Japanese financial market.

"It is quite a special case, and will not spread to other financial institutions," he said.

Mieno also said the current weak stock market will not do any serious harm to the Japanese economy.

With corporate capital spending and consumer spending still strong, the economy remains on a firm footing, he said.

And the corporate financing is by no means in a tight situation, he said.

"I don't believe (the soft stock market) will have a bad influence on the Japanese economy," he said.

The Tokyo stock market has been hard hit by the recent stock scandal involving unfair reimbursements of losses to big corporate clients by the four largest brokerage houses—Nomura, Nikko, Yamaichi, and Daiwa securities companies.

The key Nikkei Index hit the year's low of 22,176.17 yen on Monday last week, when the Finance Ministry ordered the four brokerages to suspend their business with corporate clients for four trading days.

Mieno stressed at the Wednesday's press conference that the securities industry should make self-governing rules on its own and observe them.

Regulators Begin Investigation

OW1707135791 Tokyo KYODO in English 1313 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—Japan's banking regulators have begun an investigation into the Tokyo branch of the Bank of Credit and Commerce International (BCCI), but find themselves in a difficult position devising ways to protect depositors.

An international group of regulators led by the Bank of England closed BCCI branches around the world last week and froze BCCI assets on allegations of fraud.

The BCCI's Tokyo branch was closed on Monday, but its assets have not been frozen by regulators because they do not have the legal authority to freeze assets of a foreign bank.

International finance sources said the BCCI affair is a special case which Japanese regulators had not faced in the past and would provide an opportunity for them to review the international credit security system.

If it becomes difficult for the BCCI to resume its operations, the sources said, regulators not only in Japan but also other countries will be forced to find ways to secure the interests of depositors around the world in a fair manner.

According to the sources, a court-appointed controller is to draft a restructuring plan for the Luxembourg-based BCCI within six months, but the bank will be liquidated if the controller fails to do so.

In a related development, the Hong Kong Government announced Wednesday it is placing the Hong Kong unit of the BCCI into liquidation to protect the rights of depositors.

Bank Governor Comments on Stock Scandals

OW1707082691 Tokyo KYODO in English 0723 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—Bank of Japan (BOJ) Governor Yasushi Mieno said Wednesday that a series of recent stock scandals will not have an immediate adverse impact on the Japanese economy.

As the reason, he cited still-resilient corporate capital spending and investment by individuals, adding that market financing is far from a crunch, while the growth of Japan's money supply is slowing down.

At the same time, it is necessary to prevent the recurrence of stock scandals by establishing the principle of "investors responsibility," Mieno told a press conference.

Specifically, he called for setting up clear market rules on securities trading, and a scheme to observe the rules established by market participants on their own initiative.

As regards the issue of giving the Soviet Union special associate member status in the International Monetary Fund, Mieno said, "It would not [word indistinct] the management of the IMF."

He also said he has the feeling at this stage that "it would be difficult to extend economic assistance to the Soviet Union."

Touching on the latest meeting of the Bank for International Settlements (BIS) held in Basel early this month, Mieno said major nations praised Japan's official discount rate cut of 0.5 percentage point to 5.5 percent on July 1.

Central bankers from the United States and Europe said the key rate cut by Japan was "timely" in view of international monetary cooperation, Mieno said.

Ministry Viewes Brokerage-Crime Syndicate Links

OW1707083491 Tokyo KYODO in English 0819 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—The Finance Ministry will not restrain brokerage firms from conducting transactions with crime syndicates under its planned increase in supervision over the scandal-battered securities industry, a high-ranking ministry official said Wednesday.

In a bid to forestall future misdeeds by brokerages, the ministry will issue within the month a new directive calling for drastic changes in their business practices.

But the ministry will shelve a plan to crack down on their dealings with gangsters out of concern that such a step would infringe basic human rights.

"Even gangsters have a right to engage in economic activities. The problem should be dealt with by the police authorities, not by the administration," an official in the ministry's Securities Bureau said.

In the wake of disclosures over their reimbursement of trading losses for favored clients, the ministry ordered the "big four" brokerage houses to stop dealing with corporate customers for four trading days up to Monday.

The ministry was marginally more severe on Nomura Securities Co. and Daiwa Securities Co., which were found to have provided financial aid to a major crime-syndicate figure in breach of a ministry directive, by forcing them to stop business at their headquarters during the same period.

As part of its planned increase in vigilance over the securities industry, the ministry negotiated with the Justice Ministry and the National Police Agency over ways to legally force gangsters out of the market.

But it dropped the idea because a ban on trade with gangsters would go against the spirit of the Constitution, which calls for equality for every citizen.

Business Leader Supports Watchdog Body

OW1607145691 Tokyo KYODO in English 1314 GMT 16 Jul 91

[Text] Tokyo, July 16 KYODO—The president of one of Japan's four major business organizations urged the government to establish a watchdog body similar to the U.S. Securities and Exchange Commission (SEC) to prevent unfair practices by securities companies.

Speaking at a press conference, Takeshi Nagano, president of the Japan Federation of Employers' Associations (Nikkeiren), said it is "worth considering" setting up such an organization independent of the Finance Ministry.

"At present, the Finance Ministry drafts a guideline and it is the ministry's discretion to decide whether a practice is in line with the guideline," Nagano said. "The person who sets up the sumo ring must be different from the person who judges how far (a sumo wrestler) is out of the ring."

His statement follows the disclosure of a series of scandals involving the so-called big four brokerage houses, which allegedly compensated their favored corporate clients for investment losses.

Nagano said the companies which received compensation must be punished, but said it would be difficult to make them subject to punishment if they had not requested any compensation.

Nagano spoke to reporters shortly after the Nikkeiren board adopted a document calling for enhanced business discipline against unfair practices.

The document appealed to corporations to enhance fairness in their businesses so they can work in the world market.

Commission Reports on Nuclear Reactor Accident

OW1707062591 Tokyo NHK General Television Network in Japanese 1000 GMT 16 Jul 91

[Text] According to the results of experiments performed by the Nuclear Power Safety Commission in relation to an accident last February at the No. 2 reactor of the Mihama Nuclear Power Plant of the Kansai Electric Power Company, Inc., boiling did not occur near the fuel rod. During the accident, primary cooling water, which should never boil, reached boiling point and produced 5 cubic meters of steam. However, according to the results of experiments simulating the accident performed by the Japan Atomic Energy Research Institute using large electric heaters, temperature near the fuel rod in the reactor core, which was only 260 degrees Celsius, did not reach the saturation temperature of 300 degrees Celsius. The commission reached the conclusion that the nuclear reactor was brought to a halt under relatively stable conditions.

NHK Plans Supplementary Satellite Launch

OW1707032391 Tokyo KYODO in English 0055 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—Japan Broadcasting Corporation (NHK) is planning to launch a supplementary satellite, the BS-3H, sometime in fiscal 1992, the NIKKAN KOGYO SHIMBUN reported Wednesday.

NHK's main satellite at present is the BS-3A. It intends to launch a second satellite, the BS-3B, on August 16.

NHK intends to launch the BS-3H even if the launching of the BS- 3B is successful, on the grounds that it might not be able to provide stable services with the BS-3A, which cannot be used during certain periods.

Posts and Telecommunications Ministry officials are reportedly opposed to the plan, however, saying that NHK should make a decision on the launching of the BS-3H after confirming the result of the planned BS-3B launching.

The ministry is concerned that a successful launch of both the BS-3B and the BS-3H would provide the network with a three-satellite system, in effect giving it more channels.

NEC Builds Carbon-Based Superconductor

OW1707105391 Tokyo KYODO in English 1029 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—NEC Corp. has built a carbon- based superconductor that achieved a superconductive state when cooled to minus 240 degrees centigrade, company officials said Wednesday.

Dr. Jaw-shen Tsai [name as received], a researcher at NEC's advanced device laboratory in Tsukuba, said, "A test proved the material remained superconductive for

one hour. It may have remained superconductive indefinitely if we had continued the experiment."

"It opens the possibilities for carbon to be used as a major component in a superconductor," he added.

Superconductors will enable the development of superfast computers, trains that float magnetically on their tracks, high resolution medical scanners and cheap power transmission trains.

These devices conduct electricity with virtually zero resistance.

NEC researchers built the superconductor by mixing soccer ball- shaped carbon 60 with caesium and rubidium substances, as opposed to most researchers worldwide who are focusing on copper oxide superconductors.

Earlier this year, U.S. researchers reported in their tests that only a small percentage of the mixtures of carbon 60 and potassium and a separate carbon 60 and rubidium compound had become superconductive.

NEC officials said its new compound attained a superconductivity state about 10 times greater than the previously announced U.S. research with the carbon 60 and rubidium compound.

"Research on carbon-based superconductors is very basic at this stage. It is quite difficult to say when these devices would have application in the future," Tsai said.

Toshiba Introduces New Extended Definition TV's

OW1707063791 Tokyo KYODO in English 0522 GMT 17 Jul 91

[Text] Tokyo, July 17 KYODO—Toshiba Corp. has unveiled a new wide screen extended definition television (EDTV) set for the Japanese market, Toshiba officials said Wednesday.

The new model, called Bazooka Wide, features a 36-inch TV screen with the 16:9 width-to-aspect ratio used in high definition television (HDTV) systems, which compares with the almost square 4:3 ratio of conventional TV sets. The officials said the firm will begin selling the EDTV set in November at a price of 1.2 million yen.

The EDTV set has a built-in muse converter which can receive both HDTV broadcasts from Japan Broadcasting Corp. (NHK), which are shown in the conventional National Television Systems Committee (NTSC) format, and EDTV clear vision broadcasts. The muse system was developed by NHK for receiving HDTV broadcasts.

Major Japanese commercial broadcasting companies began EDTV transmissions in August 1989. The picture on EDTV sets comprises about 560 scanning lines, and produces an image that is slightly better than that of standard TVs, though inferior to HDTV sets, which feature 1,125 scanning lines. HDTV is a new broadcasting technology that offers near-cinema-quality pictures on a TV screen.

The company expects to sell about 500 of the EDTV sets per month, officials said.

The company also announced it will begin selling in August a new 36-inch "hi-vision" HDTV monitor and muse decoder, which will retail for 1.8 million yen. Previous HDTV systems have not normally featured built-in muse converters. Officials said they expect to sell 500 units per month.

North Korea

Further on Nuclear Safeguards Accord Issue

OW1607153391 Tokyo KYODO in English 1501 GMT 16 Jul 91

[Text] Vienna, July 16 KYODO—North Korea on Tuesday agreed to the text of a nuclear safeguards agreement with the International Atomic Energy Agency (IAEA) providing for international inspection of its nuclear facilities, IAEA officials said.

But Pyongyang did not initial the accord the same day as had been expected, North Korean and IAEA officials said.

South Korean officials in Seoul said Pyongyang had withdrawn its demand that U.S. nuclear weapons allegedly deployed in South Korea be removed before North Korea would allow inspection of its facilities, but this could not be independently confirmed.

The 98-article draft agreement, written in English, Korean and Russian, stipulates that North Korea will allow the inspection of all nuclear facilities in the country.

North Korea signed the Nuclear Nonproliferation Treaty in 1985, but had refused to sign the safeguards agreement required under the treaty.

The country's reluctance to open its nuclear plants to inspection has been an obstacle to better relations with Japan and the United States.

Experts in Seoul, Tokyo and Washington have charged that the nuclear complex in Yongbyon, 90 kilometers north of Pyongyang, is designed to develop nuclear weapons.

Dialogue Resumption Depends on South 'Attitude'

SK1707092191 Pyongyang Korean Central Broadcasting Network in Korean 0440 GMT 11 Jul 91

[Unattributed talk: "Puppets' Unforgivable Antidialogue and Antireunification Attitude"]

[Text] Running counter to all the fellow countrymen's earnest desire for dialogue and reunification, these days, the South Korean puppets are more openly kicking up divisionist maneuvers and building higher obstacles to the North-South high-level talks. The South Korean puppets, which had exercised violent security rule and even created horrific bloody incidents, recently again detained the pastor Mun Ik-hwan, a very old patriot who once visited the North who was released eight months ago. The fellows groundlessly describe the South Korean youth and students and people, who are participating in the righteous antifascist struggle for democracy, as leftist, procommunist forces who have ties with the North. They even designated a certain period as a period for extensive groundless anticommunist and anti-North propaganda campaigns to call on people to report spies to the authorities. Both the reckless overreaction by those who are frightened at the old pastor's words and deeds and mad anticommunist, anti-North hysterics that are reminiscent of the last-stage symptom of the preceding military fascist dictators who died unnatural deaths, show how serious a crisis the current rulers are facing.

The No Tae-u puppets are trying to find an exit from their political crisis and impasse by deliberately kicking up anticommunist, confrontational commotions. If those fellows have no alternative but to sacrifice North-South relations in favor of their power, this means that the South Korean authorities themselves are already an obstacle to reunification and that the South Korean authorities and the reunification of the country are incompatible. This is what the No Tae-u puppets of South Korea tell us when they are carrying out their anachronistic anticommunist, fascist confrontation policies.

What is intolerable among the moves by the South Korean puppets in connection with the reunification issue is their illusion about the German-style merger unification. As has already been reported, traitor No Tae-u convened the so-called meeting of reunification-related ministers on 17 June, issued an instruction to study the unified Germany, and babbled that complete preparations must be made for reunification. It is clear what this gibberish means.

During the second and third North-South high-level talks, we warned the South side against trying to copy another country's reunification formula. We also duly warned the South Korean ruling bunch against espousing the merger reunification theory. Nevertheless, today, traitor No Tae-u openly called for studying Germany's merger reunification and preparing for such reunification. This is truly preposterous.

The merger reunification formula espoused by the No Tae-u puppets is a variety of the theory on achieving reunification after prevailing over communism, which has long been discredited. Still seized with an illusion of the theory on achieving reunification after prevailing over communism, the South Korean puppets are trying to copy another country's reunification formula, which is not suitable for our country. This is a problem. Moreover, what sort of dialogue can take place with those fellows who propose to achieve reunification by way of swallowing the opposing side, and what agreement can be reached there?

Pursuing a merger reunification and reunification after prevailing over communism is a very provocative and antinational crime of rejecting dialogue with the opposing side or any agreement toward reunification. If the South Korean puppets nevertheless try to follow this road, they will be held fully responsible for the fact that the North-South high-level talks will be derailed eternally and that a solution to the reunification problem will be delayed.

The South Korean puppets must fundamentally correct their antireunification, antidialogue attitude, to resume the high-level talks at the earliest possible date and open a new phase in solving the reunification problem. If they have the intention of achieving reunification, the South Korean puppets must not contradict themselves by making themselves an antireunification presence through the use of the anticommunist confrontational policy as a means to maintain their power, must abandon their ambition to achieve reunification after prevailing over communism, which pursues the achievement of reunification by eradicating the opposing side, and must accept the fair and just proposal to achieve reunification in a confederal system in which one does not swallow or is not swallowed by the other. This change of attitude must be shown by abolishing the antinational, divisionist state policy on anticommunism and the National Security Law, releasing all the visitors to the North, people who met and discussed reunification with us overseas, and patriotic personages for reunification and democracy. In addition, the South Korean puppets must discontinue the Team Spirit joint military exercise, which they conduct with the U.S. imperialists every year, and must not hesitate to adopt the North-South nonaggression declaration any longer.

Whether or not North-South dialogue will be held at an early date fully depends upon the South Korean puppets' attitude. Along with all the fellow countrymen, we will watch the South Korean puppets' attitude.

CPRF Clarifies Stand on Celebration Proposal

SK1607155391 Pyongyang KCNA in English 1525 GMT 16 Jul 91

["CPRF Vice-chairman Elaborates on Our Stand Toward North-South Joint Celebration of August 15 Festival"—KCNA headline]

[Text] Pyongyang July 16 (KCNA)—Yun Ki-pok, vice-chairman of the Committee for the Peaceful Reunification of the Fatherland [CPRF], today issued a statement clarifying our stand toward the North-South joint celebration of the August 15 festival proposed by the South Korean authorities in a "Statement Toward the North" on July 15.

He said:

Firstly, considering that the South Korean authorities' proposal to hold a series of joint festivities on nongovernmental level to mark the August 15 liberation of the country means respecting and approving the decision of the Berlin Preparatory Meeting for the second pan-national rally, we propose that the organisations related to the pan-Korean Alliance for National Reunification (Pomminnyon) as well as other organisations and personages in South Korea that desire reunification be allowed to participate on a broad scale in the planned pan-national rally and the grand reunification festival of students.

Secondly, we propose to hold in Seoul on July 25, a preparatory meeting of the North, the South and overseas sides to discuss the question of holding the August 15 joint festival.

It is desirable to form a 5- or 7-member delegation of each side to the preparatory meeting with personages concerned with the pan-national rally of the north, the south and overseas who will play host to civilian festival functions and with representatives of the authorities who will ensure and support the functions.

Thirdly, we suggest that the South Korean authorities release all the South side's personages concerned with Pomminnyon and the National Council of Student Representatives (Chondaehyop), the direct parties which have prepared the Pan-National Rally [PNR] and the grand reunification festival of students in South Korea, before the preparatory meeting at the latest and ensure the holding of the Seoul Pan-National Rally and Grand Reunification Festival of Students without fail in order to guarantee the civilian festival functions and their preparatory meeting.

As far as the "question of separated families" raised by the South Korean authorities is concerned, it will be solved in due course if the South side responds with sincerity to the resumption of Red Cross working-level contact between the two sides.

The second PNR and Grand Reunification Festival of Students brought to maturie from long ago, which fully reflects the strong will for reunification of the people of all social standings in the North, the South and overseas, must be realized without fail.

We will make all sincere efforts to promote the '91 Seoul PNR and Grand Reunification Festival of Students which will mark a new epoch of national reconciliation, unity and reunification.

Drama Students Pledge To Come to Seoul in Jul

SK1707064091 Pyongyang KCNA in English 0458 GMT 17 Jul 91

[Text] Pyongyang July 17 (KCNA)—A meeting of women students was held at Pyongyang University of Dramaturgy and Cinematics on July 16 to denounce barbarous suppression by the South Korean authorities and demand an immediate release of coed Yim Su-kyong.

The speakers at the meeting said that coed Yim is a proud daughter of the nation who had participated in the Pyongyang festival as a girl with a single desire to bring earlier the reunification of the country and demonstrated at home and abroad that Korea is one and the Korean nation is homogeneous.

They angrily noted that the South Korean rulers threw behind bars not only coed Yim Su-kyong but also students Im Chong-sok and Chon Mun-hwan for the mere reason that they were involved in her visit to Pyongyang, bringing unjustifiable "charges" against them, and handcuffed Mun Ik-hwan, Yu Won-ho, Mun Kyu-hyon and other visitors to the North.

They demanded that the South Korean authorities give up at once their anti-dialogue, anti-reunification criminal acts and set free the patriotic pro-reunification democratic figures without delay.

They evinced their determination to more actively struggle for the release of coed Yim Su-kyong and other visitors to the North, patriotic students and all the "political prisoners", expressing firm solidarity for their struggle in prison during the "period of encouragement to the pro-reunification patriotic figures and struggle for their release."

They stressed that students of their university will go to Seoul in July as members of a consolation team.

South Army Private Reportedly Defects to North

SK1707001391 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 16 Jul 91

[Text] A South Korean Army soldier has defected to the northern half of the Republic across the Military Demarcation Line on the eastern front.

Under the situation in which the spirit of struggle to realize independence, democracy, and national reunification and longing for the northern half of the Republic have been further rising up among the South Korean people, youths, and students, Cho Tae-hun, 21, second class private, of the South Korean puppet army who belongs to the 2d Company, 1st Battalion, 51st Regiment, 12th Division of the 3d Army Crops of the South Korean puppet army, rejected his shameful puppet army life and today defected to the northern half of the Republic across the Military Demarcation Line on the eastern front.

He is from Chongdo County, North Kyongsang Province. He said that he is disenchanted with life in the South, the colony of the U.S. imperialists, where basic freedoms and human rights have been atrociously trampled underfoot and where the masses have no money or power to live.

He said he has been longing for the socialist system of the North in which, under the leadership centering on the popular masses of the great President Kim Il-song and dear leader Mr. Kim Chong-il, everyone works and learns and enjoys a happy life regardless of position.

He said he was determined to defect to the northern half of the Republic and resolutely reject the sickening puppet army life with its forced laborious duties and harsh discipline. He said he finds it difficult to contain his joy over the realization of his wishes and dream of nestling in the bosom of the socialist fatherland. He presently is being cared for by a relevant organization.

Article on U.S. World Military Plans Viewed

SK1607152591 Pyongyang KCNA in English 1503 GMT 16 Jul 91

[Text] Pyongyang July 16 (KCNA)—The "Wartime Host Nation Support Agreement" that will have a great impact on the destiny of the Korean peninsula after the 20th century is in the brewing in camera in full scale between South Korea and the United States and its signing within this year has become a fait accompli.

Kim Chang-su, a researcher of the South Korean Peace Institute, said this in an article titled "South Korea-U.S. Wartime Host Nation Support Agreement, a second Ulsa (1905) Treaty" contributed to the July issue of the magazine MAL, exposing the seamy side of the "Wartime Host Nation Support Agreement" being forced upon the South Korean authorities by the U.S. imperialists.

Though the "agreement" consisting of nine articles and two supplements is to cope with the wartime, it is an agreement effective both in wartime and peacetime as it stipulates stockpiling of materials, control of equipment and establishment of a manpower mobilization posture in peacetime and bearing of the cost for military exercises as well.

When this "agreement" is concluded as has been drafted by the "Defence Ministry," South Korea will be obliged to offer whatever military roads and provide harbor facilities for the U.S. warships at major ports such as Pusan and Inchon and make public buildings available to U.S. troops any time, at the request of the United States, even in peace time. It must build even service water reservoirs for their exclusive use.

The master-servant relations between South Korea and the United States will be further cemented institutionally under this "agreement". While the "mutual defence pact" concluded in 1954 gives the U.S. forces free access to the territory, sky and seas of South Korea, the "wartime host nation support agreement" is as good as donating the liver and gallbladder of the Korean nation to them.

The "Sixth Republic" is openly volunteering to be subordinated to the United States.

It is known that the United States stresses only unilateral obligations of South Korea, unlike in the agreements it concluded with the "NATO" nations.

The United States is hastening the conclusion of the "Wartime Host Nation Support Agreement" with various countries of the world. This can be seen as a move to further strengthen its position in keeping with the changing international order.

Having deployed its troops in different places of the world, the United States is undergoing difficulties with heavy cost of establishing control over the world. In order to bridge over the difficulties, the United States worked out a "dual base formula".

By the "dual base formula" it is meant to keep elite task forces in the mainland and deploy overseas only a command, part of field forces and logistic organs. It is a plan to quickly deploy the elite task forces from the mainland and receive logistic support from overseas in case of "emergency".

This logistic support is ensured by the "Wartime Host Nation Support Agreement".

It is the U.S. official stand to keep the U.S. troops in South Korea even after the year 2000, while withdrawing a large number of armed forces from Europe. This means that the U.S. troops in South Korea assume the role of "rapid task force" for intervening in disputes in other regions.

The conclusion of the "agreement" will make it possible for the United States to pull out its troops from or hurl them into South Korea while reducing its troop and financial burdens and, then, South Korea will turn into an intermediary base for intervention in global disputes.

U.S. Obligations Under Nuclear Treaty Viewed

SK1707055691 Pyongyang KCNA in English 0516 GMT 17 Jul 91

[Text] Pyongyang July 17 (KCNA) - It runs diametrically counter to its obligations under the Nuclear Non-proliferation Treaty [NPT] and the fundamental idea of the treaty that the U.S. imperialists who have turned South Korea into the biggest nuclear base in the Far East are resorting to adventurous moves of nuclear war in this region, says MINJU CHOSON on July 6 in a by-lined article entitled "Elimination of Nuclear Weapons Is an Important Obligation Under the NPT."

The article reads in part:

The U.S. imperialists who have deployed a large umber of nuclear weapons in South Korea and are not infrequently staging nuclear war games threatening the DPRK brought up the issue of nuclear inspection of the DPRK which has consistently maintained the anti-nuke, peaceloving stand, alleging that it is violating the NPT. This is the height of sarcasm.

The U.S. imperialists contend that their nuclear weapons present in South Korea "do not pose a threat" to the North and that the safeguards declaration on the no-use of nuclear weapons "is applicable to the North, too. This is nothing but a sophism for concealing their aggressive aim and justifying their nuclear policy. It is also a crafty ruse to lull the public opinion at home and abroad which demands the removal of nuclear threat against the DPRK and the immediate withdrawal of U.S. troops and nuclear weapons from South Korea.

The U.S. imperialists are the very one who creates the danger of nuclear war on the Korean peninsula and violator of the NPT. It is ridiculous of them to take issue with the DPRK over "acts of violation."

For the DPRK to demand that the United States remove its nuclear threat to it and commit itself to nuclear safeguards is a legitimate right of a non-nuclear state and it fully accords with the NPT. And for the United States to comply with this demand is its unavoidable obligation as nuclear state and signatory to the NPT. It is a shameless act for the United States to demand the DPRK to implement something, while failing to discharge its obligations under the treaty. tI is in utter contravention of the principle of impartiality recognized by international law.

Whether or not the United States withdraws its nuclear weapons and troops from South Korea and removes its nuclear threat against the DPRK will be a touchstone showing whether it intends to discharge its obligations under the NPT or not.

Pullout of Nuclear Weapons From South Urged

SK1707104891 Pyongyang KCNA in English
1024 GMT 17 Jul 91

["Pullout of Nukes From South Korea is Urgent Demand for Peace in Asia"—KCNA headline]

[Text] Pyongyang July 17 (KCNA)—To pull the U.S. nuclear weapons out of South Korea is a most urgent demand for peace and security in Asia, stresses NODONG SINMUN in a by-lined article today.

The article says:

In his answers to questions raised by the editor-in-chief of the Japanese MAINICHI SHIMBUN and the president of the KYODO News Service of Japan the great leader Comrade Kim Il-song stressed the need to struggle in defence of peace and security in Asia and clearly indicated ways to this end.

If peace and security is to be ensured in Asia, it is necessary, above all, to get the U.S. imperialists' military bases and armed forces withdrawn, especially, their mass destruction weapons including nuclear weapons removed. The most urgent requirement here is the pullout of the U.S. nuclear weapons from South Korea.

Because the U.S. imperialists have turned South Korea into a most important stronghold for their Asian aggression and are pursuing a most adventurous and dangerous strategy of strength in reliance on it.

Having deployed their more than 40,000 troops and 1,000 odd pieces of nuclear weapons in South Korea, they are not infrequently staging nuclear war games under various names including the large-scale "Team Spirit" joint military exercises.

If they unleashed another war against the North on the Korean peninsula under such conditions, its flames would spread all over the expanse of Asia and turn into a nuclear war.

The U.S. nuclear weapons present in South Korea are not a "shield" for deterring "threat" from someone. They are "spears" intended to overwhelm our people and other Asian people with strength and establish domination over the Asia-Pacific region.

It is entirely because the U.S. imperialists continue pursuing their policy of nuclear blackmail, regarding South Korea as a colony and military base, as a nuclear forward base, that the danger of war has not been removed from the Korean peninsula and the situation in the Asia-Pacific region not improved still today.

While talking about the end of the cold war era and the advent of the era of peace, they are still persisting in their policy of violating the sovereignty of countries in the Asia-Pacific and dominating them by dint of strength. This is totally anachronistic.

The Asian people must firmly unite and cooperate with one another and struggle for the withdrawal of the U.S. imperialists' aggressive military bases and troops from this region and thus turn the Asia-Pacific region into a peace zone free from war and nuclear weapons.

The Korean people will vigorously struggle to get the U.S. troops and nuclear weapons withdrawn from South Korea and guarantee peace and security in this region with the support of the Asia people, holding aloft the banner of independence, peace and friendship, stresses the article.

Foreign Groups Urge U.S. Withdrawal From South

SK1707052291 Pyongyang KCNA in English
0438 GMT 17 Jul 91

["Outside Forces Have No Right To Interfere in Korea's Reunification Question"—KCNA headline]

[Text] Pyongyang July 17 (KCNA)—The joint statement of the political parties and public organisations of the DPRK is supported in foreign countries.

D.R. Regmi, chairman of the Nepalese Committee for the Promotion of Korea's Reunification, in a statement said that the joint statement issued by the DPRK political parties and public organisations regarding the

removal of the danger of a nuclear war is supported by people. The demands raised in the joint statement are entirely justifiable, the statement noted, and added:

We urge the United States to give assurances that it would give up nuclear threat to North Korea. The outside forces have no right to interfere in the Korea's reunification question.

The statement strongly demanded that the South Korean authorities agree to the adoption of a nonaggression declaration and set free democratic figures immediately.

The French Committee of Initiative for Korea's Reunification in a letter to the DPRK general representation in France stated that the withdrawal of nuclear weapons from South Korea is the unanimous demand of the Korean people who aspire after the reunification of the country.

Speeches were made at a meeting held in Colombo under the cosponsorship of the Sri Lanka-People's Korea Friendship Association and the Sri Lankan Committee for the Reunification of Korea.

The secretary general of the Sri Lanka-People's Korea Friendship Association and other speakers said that the United States is raising the question of "inspection" of non-existent "nuclear facilities" in the DPRK in an attempt to mislead the world public and cover up its nuclear threat.

The United States should give up its anachronistic policy of strength and withdraw its troops and nuclear weapons from South Korea without delay in conformity with the unanimous desire of the world peaceloving people, the speakers noted.

A letter to the great leader President Kim Il-song was adopted at the meeting.

Anti-U.S. Struggle Meeting in North Hamgyong

SK1707101791 Pyongyang KCNA in English 1003 GMT 17 Jul 91

[Text] Pyongyang July 17 (KCNA)—A Chongjin mass meeting was held at the North Hamgyong Provincial Art Theatre Tuesday on the occasion of the June 25-July 27 month of anti-U.S. joint struggle.

Speaking at the meeting, Yi Won-kyu, vice-chairman of the North Hamgyong Provincial Administration and Economic Guidance Committee, said that today the Korean people are confidently advancing along the road of socialism and making all efforts to accomplish the cause of national reunification at an early date. He noted that the U.S. imperialists are creating grave difficulties on the way of national reunification of the Korean people and leading the situation on the Korean peninsula to the brink of war.

To remove the source of a nuclear war from the Korean peninsula is a matter related to the existence of our nation and an indispensable requisite to defense of peace in Asia and the world, he stressed, and added: If tension is to be eased and peace guaranteed in Korea and Asia, the U.S. troops and all the nuclear weapons must be withdrawn from South Korea unconditionally and without delay.

Valleriy Rozoboy, head of the delegation of the Maritime Territory Branch of the Soviet-Korean Friendship Society, spoke next.

Referring to the friendly relations between the Soviet and Korean peoples, he said the Soviet Union supports the constructive proposals of the Workers' Party of Korea and the DPRK Government for national reunification and demands the withdrawal of foreign forces from South Korea.

He stressed that functions of solidarity month held annually in the Soviet Union are token of support to the efforts of socialist Korea to normalize the situation on the Korean peninsula.

KPA Meeting Marks PRC Treaty Anniversary

SK1707093691 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 9 Jul 91

[Text] A meeting of the Ministry of the People's Armed Forces was held at the unit of the Korean People's Army [KPA] to which Comrade Ok Pong-nin belongs on the afternoon of 9 July to mark the 30th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation, and Mutual Assistance.

In the front of the meeting site were the flags of our country and the PRC and slogans reading, "Long live the invincible friendship and solidarity sealed in blood between the peoples and Armies of the two countries of Korea and China" and "We warmly congratulate the 30th anniversary of the signing of the Korea-China Treaty of Friendship, Cooperation, and Mutual Assistance."

The meeting was attended by Comrade Choe Kwang, member of the Political Bureau of the Central Committee of the Workers' Party of Korea [WPK] and chief of the general staff of the KPA; Kim Kwang-chin, vice minister of the Ministry of the People's Armed Forces; KPA Colonel Generals Cho Myong-nok and Kim In-chol; and other generals and officers, together with KPA soldiers.

Invited to the meeting were Chinese Ambassador to our country Zheng Yi; officials of the Chinese Embassy; and (Chang Kunbo), staff officer of the delegation of the Chinese People's Volunteers of the Korean-Chinese side to the Military Armistice Commission.

The meeting began with the playing of the national anthems of the PRC and our country. Vice Minister Kim Kwang-chin made a speech at the meeting. He said that the signing of the Korea-China Treaty of Friendship, Cooperation, and Mutual Assistance 30 years ago was an epochal event which strengthened and developed the

Korean-Chinese friendship sealed in blood through the protracted joint struggle against imperialism to a new higher stage on a firm legal foundation and continued:

[Begin recording] Over the past three decades since the conclusion of the treaty the peoples of the two countries have expanded and strengthened friendship and cooperation in the political, economic, cultural, military and other fields and have greatly contributed to accelerating the cause of socialist construction in the two countries and to defending peace in Asia and the rest of the world. The treaty has demonstrated its great vitality with each passing day. As a result, its inexhaustible strength and solidness have been vividly proven and reliably guaranteed so that the traditional Korean-Chinese friendship can be inherited and developed generation after generation.

The two countries of Korea and China are friendly neighbors linked by mountains and rivers, and the communists and patriotic people of the two countries forged militant ties of friendship through the armed struggle against the imperialist aggressors. The Korean-Chinese friendship, which had traversed a long historic road, was further strengthened and developed through the participation of the Chinese People's Volunteers [CPV] in the Korean war. The participation of the CPV in the Korean war was not only an unselfish internationist support to our people, but was also a clear expression of the friendly relations between Korea and China and the revolutionary obligation between them.

The militant solidarity, which was highly demonstrated between the Armies and peoples of the two countries of Korea and China on the Korean frontline, was a fatal blow to the combined imperialist forces, including the U.S. imperialists, and decisively turned the situation of the war into the one favorable to us. After the cease-fire, brave soldiers of the CPV devotedly helped our people's struggle for the rehabilitation and construction of cities and rural areas which were turned into ashes.

Indeed, the people of the two countries of Korea and China are the reliable allies [tongmaengja] who are embodying friendship, cooperation, and mutual assistance under the principle of respecting complete equality and reciprocity. They are also the genuine class brothers who are firmly united as those sharing a single destiny. That the Korean-Chinese friendship has been able to become an ever-victorious and invincible friendship by overcoming all sorts of trials of history since it took strong roots amid the flames of the revolutionary struggle and to become a noble friendship which always bestows faith, courage, joy, and encouragement upon our people is because it is based on the deep comradely trust and lofty revolutionary obligation existing between leaders of the two countries.

The traditional Korean-Chinese friendship—which has been consolidated and developed on the basis of the special and deep intimate relations and revolutionary obligation forged between Comrade Kim Il-song, the great leader of our people, and Comrade Mao Zedong, the great leader of the Chinese people; the esteemed Comrade Zhou Enlai; and Comrade Deng Xiaoping—is flowering and developing in the course of carrying out the socialist cause. In particular, the mutual visits of party and state leaders of the two countries in recent year are events of vital significance in further strengthening and developing the Korean-Chinese friendship in conformity with the demands of the present situation.

As in the past, our people and KPA soldiers will, in the future, too, be faithul to their duties assigned by the Korea-China Treaty of Friendship, Cooperation, and Mutual Assistance and will struggle shoulder to shoulder together with the fraternal Chinese people and Army eternally on the single road of struggle for peace and victory of the socialist cause.

Long live the great militant friendship and solidarity sealed in blood between the peoples and Armies of the two countries of Korea and China. [applause] [end recording]

Yin Guangtao, military attache of the PRC Embassy in our country, made a speech at the meeting.

He said that the China-Korea Treaty of Friendship, Cooperation, and Mutual Assistance signed by the governments of the two countries of Korea and China according to the desire and will of the peoples of the two countries legally fixed the Chinese-Korean relations of friendship and cooperation sealed through the protracted joint struggle and opened a new chapter in the development of the relations. He continued:

[Brief recording in Mandarin fading into Korean translation by unidentified person] Although the international situation has greatly changed over the past three decades, the treaty has overcome its trials and demonstrated its strong vitality. The two countries of China and Korea have had broad exchanges and cooperation in many fields—political, military, economic, and cultural—according to the spirit of the treaty and have registered great success. Thus, they have greatly contributed to accelerating their socialist construction and to defending peace in Asia and the rest of the world. We are very satisfied with this.

The friendship and cooperation between the two countries of China and Korea have a long history, and the peoples of the two countries have forged invincible militant friendship in blood [as heard] through the protracted revolutionary struggle. This friendship was personally provided and fostered by chairman Mao Zedong, the great leader of the Chinese people, and President Kim Il-song, the great leader of the Korean people. Constantly strengthening and developing these traditional relations of friendship and cooperation accord with the basic interests of the peoples of our two countries.

With the development of the situation in recent years, the friendship between the two countries, between the

two parties, and between the two Armies of China and Korea, as well, has been developed into a new stage.

Comrades and comrades-in-arms: We as comrades-in-arms and brothers are deeply interested in the change in the situation on the Korean peninsula and in the progress of the Korean people's cause of national reunification. In recent years the Korean party and Government have made consistent efforts to alleviate the situation on the Korean peninsula and to achieve the country's reunification.

The principle of solving the reunification question of Korea by way of a confederation under one state, one nation, two systems, and two governments as declared by President Kim Il-song is reasonable and, therefore, has won sympathy and support from the people of many countries of the world. The reunification question of Korea should be solved through dialogue and negotiation between the two sides of the North and the South of Korea and without foreign interference. We firmly and invariably support the fraternal Korean people's just cause to achieve the independent and peaceful reunification and the Korean Government's proposals to withdraw U.S. forces from South Korea and to make the Korean peninsula a nuclear-free zone.

We firmly believe that even if there are difficulties and vicissitudes on the road of advance the Korean people's cause to achieve the independent and peaceful reunification of the country will be achieved without fail. [applause]

Strengthening and developing the friendship sealed in blood between the peoples of the two countries of China and Korea is the firm and invariable policy of our party. However the world situation may change in the future, the Chinese people and all officers and men of the Chinese People's Liberation Army will make all possible efforts to defend the common cause of socialism and peace in Asia and the rest of the world, closely uniting and cooperating with the Korean people and Army in the spirit of the treaty.

Our cause is just. Our cause cannot be destroyed by any enemy. Long live the great friendship and militant solidarity between the peoples and Armies of the two countries of China and Korea. [applause] [end recording of translation into Korean]

The meeting ends with the singing of the "Song of International."

Japan's Chongnyon Promotes Normalization of Ties

SK1507151291 Pyongyang KCNA in English
1459 GMT 15 Jul 91

[Text] Tokyo July 13 (KNS-KCNA)—Officials of the General Association of Korean Residents in Japan (Chongnyon) including vice-chairman of the Chongnyon Central Standing Committee Pae Pyong-tu met with President Motoi Okura and Vice-president Nobuko Yotsuya of the Tokyo Metropolitan Assembly at the Metropolitan Government Office on July 11.

The two sides confirmed that the Korean and Japanese peoples would jointly work for the normalisation of diplomatic relations.

That day, Vice-chairman Pae Pyong-tu met with Secretary-general Morio Shibuya and Deputy Secretary-general Yosoda Hanakawa of the Tokyo Metropolitan Federation of the Liberal Democratic Party and all the members of the Tokyo Metropolitan Assembly including Soji Agada, an assemblyman from the Japan Social-Democratic Party, and had a friendly talk with metropolitan assemblyman from the Komei Party Nobujiro Majima and chairman of the league of the Tokyo metropolitan assemblymen for the promotion of Japan-Korea Friendship Kanji Kobayashi.

Public Circles in Japan Demand Normalized Ties

SK1707104191 Pyongyang KCNA in English
1018 GMT 17 Jul 91

[Text] Tokyo July 15 (KNS-KCNA)—Public circles of Japan strongly demand an early normalisation of Japan-DPRK diplomatic relations in their recommendations and requests submitted to Prime Minister Kaifu and Foreign Minister Nakayama.

"A recommendation on an early normalisation of Japan-DPRK diplomatic relations" which was adopted at the second regular meeting of the Tokyo Metropolitan Assembly held on July 11 said that the normalisation of Japan-Korea diplomatic relations will not only help improve the relations between the two countries and help toward peace and security in Asia but also contribute to peace and prosperity of the world and it is a very important task for Japan.

It, on behalf of the Tokyo Metropolitan Assembly, strongly requested the Japanese Government to make particular efforts for the normalisation of Japan-Korea diplomatic relations.

A request titled "Adhere to the Principle of Negotiations for Japan-Korea Diplomatic Relations" which was adopted at the fifth meeting of the Hyogo, Japan, Prefectural Liaison Society for Korean Affairs held on July 5 said that the joint declaration published by the Workers' Party of Korea, the Liberal Democratic Party and the Social-Democratic Party of Japan was a declaration to the home and foreign public of the principle of putting an end to the distorted history between Japan and Korea spanning the past 80 years.

It noted that at the inter-governmental talks the Japanese Government brought forward a problem which has nothing to do with the principle agreed upon.

We once again hope for friendship and solidarity based on the stand of mutual equality following the "establishment of Japan-Korea diplomatic relations" and demand

that the Japanese Government make strenuous efforts for an early normalisation of diplomatic relations with the DPRK according to the principle and regulations of diplomacy, the request stressed.

Kim Yong-sun Meets Spanish Communist Delegation

SK1607153691 Pyongyang KCNA in English 1523 GMT 16 Jul 91

[Text] Pyongyang July 16 (KCNA)—A delegation of the Spanish Communist Party led by Simon Sanchez Montero, member of the Political Bureau of the party Central Committee, arrived here today.

It was met at the airport by Secretary Kim Yong-sun and vice-director Kim Hyong-u of a department of the Central Committee of the Workers' Party of Korea.

Speaks at Reception 16 Jul

SK1707063391 Pyongyang KCNA in English 0453 GMT 17 Jul 91

[Text] Pyongyang July 17 (KCNA)—The Central Committee of the Workers' Party [WPK] of Korea gave a reception Tuesday for the visiting delegation of the Spanish Communist Party [SCP].

Speaking at the reception, Kim Yong-sun, secretary of the WPK Central Committee, said the Spanish Communist Party is recently conducting energetic activities to expand the party forces, extend its influence among the people and defend and realize the vital rights and interests of the working class and other laboring masses. We rejoice over this, he noted, adding:

We will in the future, too, strive to further strengthen and develop the friendship between the two parties.

Today the world situation urgently demands that the communist and workers' parties unite firmly and remain faithful to the socialist principle and the revolutionary stand. The socialist society is, indeed, a new society which accords with the independent nature of the popular masses and the requirements of the development of human history.

Head of the delegation Simon Sanchez Montero, member of the Political Bureau of the C.C., the Spanish Communist party, spoke next.

Noting that the friendly relations between the SCP and the WPK have a long tradition, he said the two parties are in a comradely and brotherly relationship as they are struggling for their common aim and ideal.

We follow with keen interest the excellent successes made by the Korean people in socialist construction after achieving the independence of the country under the wise guidance of the great leader Comrade Kim Il-song, he said, and went on: We are rejoiced as over our own over the achievements of Korean comrades.

He said during the current visit they will openheartedly exchange views with Korean comrades regarding the crisis facing mankind and peace.

Iranian Delegation Admires Agricultural Policy

SK1707102891 Pyongyang KCNA in English 1009 GMT 17 Jul 91

[Text] Pyongyang July 17 (KCNA)—Head of the Iranian Agricultural Delegation Ali Mobeini Dehcordi [name as received] expressed deep admiration at the validity and vitality of the agricultural policy of the Workers' Party of Korea.

Chongsan-ri is an ideal rural community, he said, and went on: what impressed us deeply during the visit to the Chongsan cooperative farm is that the respected leader President Kim Il-song called at this farm on more than 100 occasions and discussed farming, sitting knee to knee with peasants.

Very happy, indeed, are the Korean people living under the guidance of the great leader who is devoting his all to the people.

The industrious Korean people have made great successes in socialist rural construction under the wise leadership of President Kim Il-song, and the rural communities of Korea where all farm work from sowing to harvest is done by machines have developed beyond imagination.

Noting that the grand West Sea Barrage built by the DPRK by investing a huge fund is greatly contributing to the agricultural development of the country, he said such a big barrage can be built only under the wise guidance of an extraordinary leader.

The developing countries should learn from the form of organization and management system of the cooperative farm of Korea, he said, adding that the precious successes and experiences gained in the agricultural domain of Korea under the leadership of the great President Kim Il-song and the dear leader His Excellency Kim Chong-il serve as an example for the world.

Choe Kwang Attends Mt Paektu Marchers Meeting

SK1707022191 Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 5 Jul 91

[Text] Forerunners of the young soldiers in the movement to win the title of Heroic Army of the Korean People's Army [KPA] have started an exploratory march toward the secret cottage on Mt Paektu.

Participating in the exploratory march were about 3,500 soldiers of the KPA and Korean People's Security Forces who have set examples in combat and political training while taking the lead in the party-initiated movement to win Heroic Army.

The approximately 1,000-li exploratory march is to proceed from Hyesan to Pochonbo, Samjiyon, Taehongdan, and Mt Paektu and then finally to the Mt Paektu secret cottage over which Peak Chongil, the chuche-oriented summit of hope, shines.

The participants in the exploratory march today laid baskets of flowers before the statue of the great leader Comrade Kim Il-song at the monument of victory in the Pochonbo Battle and then held a meeting to launch the march.

Floating in the sky above the meeting site were large balloons painted with slogans reading "Long live the great leader Comrade Kim Il-song!" and other slogans praising high the dear leader Comrade Kim Chong-il. Also, there were balloons with such slogans as "What the party decides, we will do it" and "Let us all become Kim Chin and Yi Su-pok of the nineties."

The marchers carried slogans reading "Single-minded unity" and "Let us accelerate the march toward the secret cottage on Mt Paektu."

Participating in the meeting were Comrade General Choe Kwang, member of the Political Bureau of the Korean Workers Party Central Committee, vice chairman of the DPRK Defense Commission, and general chief of the General Staff of the KPA; Yom Ki-sun, responsible secretary of the Yanggang Provincial party Committee and chairman of the Provincial People's Committee; generals and officers of the KPA and the Korean People's Security Forces; and other functionaries concerned, along with the march participants, working masses from the City of Hyesan, and youths and students.

The meeting began with the chorus singing of "Gen. Kim Il-song."

Yi Chong-mu, chairman of the KPA League of the Socialist Working Youth Committee, made a report at the meeting.

Resolutions and debates were made at the meeting. Following this, Comrade Choe Kwang presented flags of the forerunners of the young soldiers in the movement to win the title of Heroic Army of the KPA participating in the march toward the secret cottage on Mt Paektu.

Congratulatory flags and red banners, which had been prepared with sincerity by the family of a retired army officer residing in Hyesan Yi Tong-ho and the family of an old woman Yi (Yun-kuk) were conveyed to the marchers.

Embroidered on the congratulatory flags and red banners were sayings designed to encourage the young soldiers to tenaciously fight for the party and leader, for the fatherland and people, and for national reunification.

At the end of the meeting, the working masses, youths, and students placed flowers around the marchers' necks and showered them with confetti to congratulate them.

As the marchers start along the road following the guide of the flag bearing the portrait of the great leader and party flag, waving the flags of the march and red banners, the working masses from the City of Hyesan, youths and students, and crowds lining the streets warmly sent off the soldiers marching toward the secret cottage on Mt Paektu.

Chang Chol Marks Factory College Anniversary

SK1607054191 Pyongyang KCNA in English 0438 GMT 16 Jul 91

[Text] Pyongyang July 16 (KCNA)—Korea is significantly observing the 40th anniversary of the establishment of the factory college.

The great leader President Kim Il-song visited Kunja-ri, Songchon County, South Pyongan Province, in February 1951 and put forward the unique policy of training those workers who were tempered in the flames of the war into excellent native cadres, and establishing a factory college for studying-while-on the job.

President Kim Il-song specified the character, mission and management of the factory college clearly indicated and the road ahead of it. He recalled teachers from the front for the college and established the first factory college of our own style on July 15, 1951, a college where the workers study while on the job.

Deeply penetrating into the requirement of the developing revolution and the position and role of the factory college in pressing ahead with the three revolutions, ideological, technical and cultural, the dear leader Comrade Kim Chong-il has wisely led the work to largely increase the factory college and enhance the quality of education. As a result, a great number of factory, farm and fishermen's colleges were established in different parts of the country, the content of education and its method have been improved consistently and the material and technological foundations of colleges have been consolidated.

A national meeting was held here Monday to mark the 40th anniversary of the establishment of the factory college.

Vice-Premier Chang Chol made a report.

Worker-students are resolving by themselves the scientific and technological problems arising in the technological development and management of the factories, the reporter said, and continued:

In the past the worker-students studied and introduced into production processes tens of thousands of valuable proposals of inventions and contrivances during their study at the colleges and thus, greatly contributing to the chuche-orientation, modernisation and scientification of the national economy and rendering enormous benefits to the state.

To develop the work of factory, fishermen's and farm colleges today is an important requirement in bringing into play the advantages of our style socialism centring on the popular masses by stepping up the assimilation of the whole society to intelligentsia and socialist construction, Chang Chol noted. He outlined the future tasks.

Results of Collegiate Work-Study Program Viewed

SK1507153491 Pyongyang KCNA in English 1507 GMT 15 Jul 91

[Text] Pyongyang July 15 (KCNA)—Factory college graduates of Korea who have grown to be technicians under the study-while-working higher education system have introduced more than 57,000 valuable items of research results and technical innovation proposals over the past four decades.

Among them are quite a few study results which draw attention in the scientific circles.

The research group made up of graduates from the Rakwon College of Technology have developed in recent years a large number of up-to-date equipment including the oxygen separating system and its heat exchangers and put them into mass-production.

The scientific research group of the Songpyong College of construction solved in a short time complicated technical problems including the assembling of an extra-large oxygen plant at the second-stage expansion project of the Kim Chaek Iron and Steel Complex which was completed in 1989.

The graduates from the Nampo College of Technology and the Yongsong College of Mechanical Engineering played an important role in designing the swing bridge of the West Sea Barrage and the 10,000-ton press.

Graduates from other factory colleges have succeeded in their researches of great importance in the development of the mechanical engineering, super high-pressure physics, metallurgical engineering, electronics and automation industries.

There are more than 240 factory colleges, fishermen's colleges, farmers' colleges and factory schools of college level in Korea.

The first factory college of the nation is the Kunja College of Technology founded in July 1951.

From among the factory college graduates, more than 60 deputies to the Supreme People's Assembly, 90 labour heroes, 1,000 recipients of academic degrees of titles, people's and merited scientists, and first- and second-class engineers have emerged and 3,400 people received new technical innovation prize, state patent and new technology introduction diploma.

Kim Chong-il Publication on Chuche Viewed

SK1607101891 Pyongyang KCNA in English 0958 GMT 16 Jul 91

["Highly Important Work Which Brought New Turn in Education in the Chuche Idea"—KCNA headline]

[Text] Pyongyang July 16 (KCNA)—NODONG SINMUN today dedicates a by-lined article to the 5th anniversary of the publication of "On Some Problems of Education in the Chuche Idea," an immortal work of the dear leader Comrade Kim Chong-il, (July 15, 1986).

The article quotes the dear leader Comrade Kim Chong-il as saying:

"Equipping the party members and other working people fully with the chuche idea is now vital to our party."

It continues:

The work gives new, flawless answers to the urgent questions arising in enriching the chuche idea with new principle and content and in education in the party ideology and the practice of the revolution.

It profoundly proves the reason why the chuche idea, the man-centred world outlook, is a revolutionary doctrine which indicates a most scientific way of human liberation, and the justness and originality of the philosophical world outlook and socio-historical outlook elucidated by the chuche idea.

It also clearly defines the basic purpose and content of education in the chuche idea by profoundly expounding that what is most important in education in the chuche idea is to firmly establish the revolutionary outlook on the leader with a correct understanding of the driving force of the revolution.

It says that if the popular masses are to become the independent driving force of history they should be closely united around the party and the leader organisationally and ideologically, that the driving force of the revolution means the integrated whole of the leader, the party and the masses, that the popular masses should organisationally and ideologically get united around the leader under the leadership of the party and thus become a socio-political organism with immortal independent life, that the leader is the centre of the life of the socio-political community and that the loyalty to the leader is the life and soul of communist revolutionaries of chuche-type based on the collectivist viewpoint on life.

These profound ideologies and theories serve as a valuable guideline in making the people firmly establish the revolutionary attitude regarding the leader.

Our party teaches that what is important in education in the chuche idea for the present is to make the party members and other working people have a correct understanding of the superiority of the socialist system and

puts forward the idea that man should be placed in the centre when viewing the advantages of socialist system, thereby clearly indicating the way of bringing the superiority and vitality of socialism of our style into full play.

Central People's Committee Changes City's Name

SK1707083491 Pyongyang Korean Central Broadcasting Network in Korean 2100 GMT 11 Jul 91

[Decree of DPRK Central People's Committee on the naming of Hoeryong City on 10 July 1991]

[Text] A decree of the DPRK Central People's Committee on naming Hoeryong County, North Hamgyong Province, the City of Hoeryong:

Hoeryong County, the land of history where the immortal communist fighter and a female anti-Japanese hero Comrade Kim Chong-suk was born, is a wonderful place worth being called a local city which, under the wise leadership of the great leader and our party, has firmly built coal industrial and light industrial bases, along with educational, cultural, and welfare facilities, including Kim Chong-suk Teachers College, as well as new dwellings.

The DPRK Central Committee has decided to change the name of Hoeryong County into the City of Hoeryong in order to improve and strengthen the Hoeryong County's city administration work and population administration work even further.

The DPRK Central People's Committee.
10 July 1991 Pyongyang

People Urged To Uphold 'Socialist Banner'

SK1607103191 Pyongyang KCNA in English 1005 GMT 16 Jul 91

["NODONG SINMUN on Inevitability of Triumph of Socialism and Communism"—KCNA headline]

[Text] Pyongyang July 16 (KCNA)—The world's progressive people should maintain independence and uphold the revolutionary principles and the socialist banner against imperialism to the last, with unshakable conviction of the victory of socialism. This is the way of creditably guaranteeing a final victory of the cause of socialism and communism.

NODONG SINMUN says this today in a by-lined article entitled "People Will Advance Along the Road of Independence, the Road of Socialism."

The article reads in part:

In his historical work "Our Socialism for the People Will Not Perish" the dear leader Comrade Kim Chong-il taught the most correct way of pushing ahead with the socialist cause along a right path and shaping the destiny of the country and the nation in a responsible manner under the present situation when the anti-socialist offensive of imperialists is intensifying and its spearhead is being directed to those countries which uphold the revolutionary principles.

Comrade Kim Chong-il has said:

"When the imperialists and reactionaries are resorting to vicious anti-socialist manoeuvres and directing the spearhead of their attack to those countries which maintain the revolutionary principles, we must adhere to the chuche stand in the revolution and construction more firmly than ever before."

At present, the anti-socialist offensive of the imperialists and their stooges is getting all the more vicious, and to bridge over the difficulties consequent upon it is an urgent task of prime importance facing the socialist forces and progressive people the world over.

Anti-socialist offensive stems from the imperialists' unsatiated dominationist ambition and it constitutes the part and parcel of their global strategy in the present period.

Their anti-socialist strategy is being executed in the two directions of military pressure and peaceful disorganization from within. The chief method they are now resorting to is the power-backed "peaceful transition" strategy.

Their anti-socialist "peaceful transition" strategy is aimed at causing ideological disorganization and political confusion and, finally, overthrowing the socialist system.

What they claim to this end is the liquidation of socialist ownership, "revival of private ownership" and conversion of the planned economy into "market economy." This means, in a word, turning the socialist economic system into a capitalist one. Thus, "peaceful transition" from socialism to capitalism is their plan.

The spearhead of the U.S. imperialists' anti-socialist manoeuvres is being directed to those countries which uphold the revolutionary principles.

Although the U.S. imperialists are dreaming of becoming a "King" of the world, holding sway over the world, reigning over all the countries and nations and acting arbitrarily, it is a daydream.

It is an irresistible trend of the development of history that the people advance along the road of independence, the road of socialism.

Although the imperialists are making a bluff, their internal contradictions are getting serious and they are undergoing raid corruption and disorganization in the political, economic, ideological and cultural aspects.

Either oppression and exploitation against the people of their own country, or colonialist plunder of other countries and nations including the Third World countries, or their high-handed policy of strength cannot block this course.

Hwanghae Iron, Steel Complex Output Said Raised

SK1607153391 Pyongyang KCNA in English 1514 GMT 16 Jul 91

[Text] Pyongyang July 16 (KCNA)—The Hwanghae Iron and Steel Complex raised the output of iron and steel by 4.7 percent in the first half of this year as compared with the same period last year.

The complex located on the Taedong River which flows into the West Sea of Korea is a comprehensive ferrous metal producer equipped with all production processes of iron, steel and rolled steel.

The complex, a small iron works in the pre-liberation days, was nearly destroyed at the time of the defeat of Japanese imperialism, and after the liberation it was rehabilitated and constructed but was reduced to ashes by the indiscriminate bombing of the U.S. imperialists during the Fatherland Liberation War (1950-1953).

The great leader President Kim Il-song visited it in July 1953 right after the ceasefire and clearly indicated the orientation of the rehabilitation and construction of the works, saying a bigger open-hearth should be built on the site of the old one destroyed by the Yankees and brick houses erected on the site of burnt straw-thatched houses and thus the mettle of Koreans should be demonstrated to the Yankees in the rehabilitation and construction as well.

The workers there rehabilitated the Open Hearth No. 1 in a short period and started the production of molten iron in June 1954. The works was reconstructed on an expansion basis 6.3 times as large as that of the pre-war period in the early 1970s.

The potentials of the complex further increased in the mid-1970s under the energetic guidance of the dear leader Comrade Kim Chong-il.

He indicated in detail ways of further increasing the production capacity, introducing comprehensive automation and semi-automation in production processes and increasing the independence of ferrous metal industry.

As a result, more production processes including a blooming shop and a continuous sintering shop were built and several furnaces streamlined so as to produce more iron in reliance upon domestic raw materials.

The wide introduction of the achievements of modern science and technology led to the application of industrial TV, remote control system, semi-automation and automation in production processes.

The production of iron and steel increased sharply. In 1979 the complex turned out only in 82 days what was produced in the whole year of 1944 before the liberation.

The complex has 9 mines and factories and enterprises as well as the general pig iron shop, the general steel shop, the general rolling shop, the fireproof materials shop and other modernly-equipped production branches.

The complex produces more than 90 kinds of iron and steel including pig iron, bar steel and zinced plates and more than 30 kinds of chemical products from auxiliary production domains.

Large quantities of its products are exported abroad.

KCNA Review of 17 Jul Pyongyang Press

SK1707060191 Pyongyang KCNA in English 0518 GMT 17 Jul 91

[Press Review]

[Text] Pyongyang July 17 (KCNA)—NODONG SINMUN today reports that U.S.-KOREA NEWS, a bulletin published by the U.S.-Korea News Service in Los Angeles, gave wide publicity to work of the great leader President Kim Il-song with foreign guests.

Foreign mass media reported the speech of Comrade Kim Il-song, general secretary of the Central Committee of the Workers' Party of Korea and president of the Democratic People's Republic of Korea, at the banquet given in honor of France Albert Rene, president of the Republic of Seychelles and secretary-general of the Central Committee of the Seychelles People's Progressive Front, who paid a state visit to the DPRK, says the daily.

The daily deals with the proclamation of the founding of the anti-Japanese people's guerrillas by Comrade Kim Il-song on April 25, 1932.

Foreign publications carried the dear leader Comrade Kim Chong-il's work "Our Socialism for the People Will Not Perish" and a seminar on this work was held in Nepal, according to the daily.

An article of MINJU CHOSON tells that Comrade Kim Chong-il energetically directed the work to create and complete the revolutionary opera "Sea of Blood" into a grand monumental masterpiece of the times.

Conveyed in NODONG SINMUN are words of South Korean people highly praising President Kim Il-song and Comrade Kim Chong-il.

Econews of the press includes reports that innovations are being effected in the production of chemical fertilizers and minerals and in railway transport and rural communities across the country are doing well to prevent crops from being damaged by rain and storm.

Appearing in the press is a statement of Yun Ki-pok, vice-chairman of the Committee for the Peaceful Reunification of the Fatherland, clarifying the DPRK's stand on the "Statement Toward the North" of the South Korean authorities.

Given in the press is an account of a meeting held in Pyongyang to mark the 20th anniversary of the formation of the Pibada Opera Troupe.

The Central Committee of the Workers' Party of Korea gave a reception for the delegation of the Spanish Communist Party, reports NODONG SINMUN.

The daily runs an article introducing the life of Koreans residing in Sakhalin, the Soviet Union.

Given in the paper is an account of a rally of women students of Pyongyang University of Foreign Studies held to demand the immediate release of coed Yim Su-kyong on the occasion of the "period of encouragement to pro-reunification patriotic figures and the struggle for their release."

The press reports that the council of bereaved families for democratic movement demanded the release of martyr Pak Chong-chol's father, former chairman Song Kap-sok of the National Council of Student Representatives boycotted a murderous trial and people of all walks of life of South Korea and overseas Koreans called for the adoption of a North-South nonaggression declaration and the conversion of the Korean peninsula into a nuclear-free zone.

NODONG SINMUN informs the readers that a South Korean puppet army private came over to the northern half of the country on July 16.

Carried in the paper is an article on the "Case Ghostwriting of the Will" of Kim Ki-sol, chief of the Social Affairs Department of the Coalition for National Democratic Movement, faked up by the South Korean authorities, branding it as a mean intrigue of those driven into a corner.

Given in the paper are accounts of functions held in different countries in support of the proposal for founding a democratic confederal republic of Koryo.

On the occasion of the month of anti-U.S. joint struggle (June 25-July 27), functions for supporting the Korean people's cause of national reunification took place in different countries, says the press.

NODONG SINMUN reports that the news agency and radio of Cuba published articles supporting the joint statement of the political parties and public organizations of the DPRK.

It is reported in the press that the Nigerian president criticized the U.S. decision to withdraw sanctions against South Africa, the Supreme Soviet of the USSR adopted a resolution on the draft union treaty of sovereign states and the Soviet-Polish regular talks were held as regards the pullout of Soviet troops from Poland.

International news columns of the press include reports that the Chinese delegate at a session of the five permanent members of the U.N. Security Council on arms control in the Middle East clarified the stand of the Chinese Government, the seventh meeting of the committee for drafting the basic law of Macao special administrative district was held in Beijing and a new draft constitution was made public in Romania.

NODONG SINMUN introduces the sports village built in Havana for the pan-American games.

"The Pullout of Nuclear Weapons From South Korea Is Urgent Demand for Peace in Asia" is the title of an article of the paper.

South Korea

North's Conditions for Festival To Be Considered

SK1707033091 Seoul YONHAP in English 0313 GMT 17 Jul 91

[Text] Seoul, July 17 (YONHAP)—The South Korean Government will seriously consider North Korea's preconditions for Seoul's proposal for joint celebration of the National Liberation Day on Aug. 15, Choe Pyong-po, spokesman for the National Unification Board, said Wednesday.

Commenting on a North Korean statement issued Tuesday, Choe said, "There are some problems we can hardly understand in the statement such as the call for release of detainees. However, we will seriously consider the North's conditions, taking note of its suggestion of a joint Aug. 15 festival and a conference to discuss the matter."

The spokesman said the government was determined to take every measure to realize the cross-country pilgrimage linking Mt. Paektu in North Korea with Mt. Halla in the South.

Yun Ki-pok, vice chairman of the North Korean Committee for the Peaceful Reunification of Fatherland, said in a statement Tuesday that South Korea should release people detained for dissident activities.

Yun also called for South Korea's guarantee for the smooth proceeding of a "grand reunification festival of youths and students" and a pan-national rally in Seoul if it "really intends to commemorate Aug. 15 as one people." The pan-national rally is being promoted by Pomminnyon, a grouping of Koreans in South and North Korea and abroad.

The South Korean Government proposed Monday holding "a joint South-North grand unification gala" next month with a cross-country pilgrimage, unification symposiums, prayer meetings and cultural festivities.

The gala, timed symbolically with the 46th anniversary of Korean liberation from 35 years of Japanese colonial rule, would be participated by 2,000 people, including overseas Koreans, it said.

Writer Claims North Built Monument in USSR

SK1707050891 Seoul THE KOREA HERALD in English 17 Jul 91 p 5

[Text] Tokyo (AFP)—North Korean President Kim Il-song sat out World War II in a Soviet village near Khabarovsk, despite authorized legend about his anti-Japanese guerrilla exploits, an ethnic Korean writer here said Tuesday.

The nonfiction writer, Kim Chan-chong, visited the village along the Amur River July 8 and interviewed a Russian woman who allegedly had acquaintance with the Kim family in a Soviet camp during the war years.

He also saw in the village an unmarked monument, secretly erected by North Korea in April, which might help set the record straight when the hard-line Communist state discards its hagiography about the "Great Leader."

According to North Korean propaganda, Kim was based on the highest Korean mountain of Paektu on the Chinese border, from where he led a liberation struggle against Japan's 1910-1945 colonial rule of Korea.

But Japanese police records and Soviet and Chinese historians have long suggested he spent his war years in exile as a captain in the Soviet army.

As the Soviet Union has pursued openness under President Mikhail Gorbachev in recent years, Soviet media have chipped away at the personality cult surrounding Kim, 79.

The writer quoted the 67-year-old woman, identified as Shrionova Prapuchiya Vasilliepuna, as saying that in late 1942 Kim's brigade moved into Biyak, some 70km northeast of Khabarovsk.

Kim was the commander of a Korean battalion in the Soviet army at the time and had moved in from a camp further south.

The woman and her husband, a Soviet interpreter, lived in the barracks "just a few doors" from a house where Kim, his first wife, Kim Chong-suk, and their two sons lived, the writer said in an interview.

One of the sons is the "Dear Leader" Kim Chong-il, 49, now ranked second in Pyongyang's power hierarchy, who has been groomed to succeed his father. The other is reported to have died in his infancy.

Vasilliepuna, whose husband died in 1983, also said Kim, as a captain, led a brigade of about 120-130 troops and underwent training in parachuting, reconnaissance, telegraphic and skiing skills.

The writer quoted her as saying that the Kim family lived in the Soviet village until August 1945 when Japan surrendered to the allied powers at the end of World War II.

The writer, 54, a graduate of a Pyongyang-affiliated college in Tokyo, also said he saw in the village one monument and four graves which, residents said, were built by North Korea in April.

"They bore no inscriptions at all ... no names or dates. They looked all plain and strange," the writer said.

He was told by the villagers that members of North Korea's League of Socialist Working Youth paid homage to the site July 7, the day before his own visit there.

"I don't quite understand why they have built them," said the writer, known for his reporting on the forced conscription of Koreans by Japan in the colonial days and the plight of Korean residents in Japan at the moment.

"It is my speculation but it might be part of preparations for the time when wartime documents of the Soviet Red Army are fully made public, sooner or later," he said.

Future of Constitution Discussed at Ceremony

SK1707034191 Seoul YONHAP in English 0153 GMT 17 Jul 91

[Text] Seoul, July 17 (YONHAP)—South Korea observed the 43rd anniversary of its Constitution in nationwide ceremonies Wednesday, while politicians are debating the 10th revision to the mother law.

In a ceremony at the National Assembly, where some 1,000 people from various walks of social life attended, Speaker Pak Chun-kyu said a new study of the Constitution and other laws was needed to meet the day of reunification of the country.

"To build a Korean nation that will stand firm in the world history, South and North Korea should join the international movement for opening and reform...hand in hand. A new study of the Constitution and various other legal systems is needed for a reunified Korea," Pak said.

The ceremony was attended, among others, by Chief Justice Kim Tok-chu, Prime Minister Chong Won-sik, Kim Yong-sam, executive chairman of the ruling Democratic Liberal Party, and Kim Tae-chung, president of the major opposition New Democratic Party [NDP].

In a statement issued in the name of spokesman Rep. Pak Sang-chon, the NDP said the spirit of the Constitution was being violated by arbitrary management of laws.

In a separate statement, the splinter Democratic Party said the constitutional history had been stained with attempts to maintain dictatorial rules.

The Constitution was promulgated in 1948 and has been amended nine times, the last time in October 1987.

President No Tae-u and NDP President Kim, in their meeting Tuesday, discussed whether to seek the 10th revision to the basic law to replace the current presidential government system by a parliamentary system. No reiterated his position that he would not seek the revision as long as the people oppose parliamentary cabinet system.

1st Direct Rice Shipment to North Set for 25 Jul

SK1707021491 Seoul YONHAP in English 0114 GMT 17 Jul 91

[Text] Seoul, July 17 (YONHAP)—South Korea will ship 5,000 tons of rice to North Korea on July 25 starting the first direct deal between the two sides since their division 46 years ago.

Samsun Shipping Corp. has leased a 6,300-ton freighter M.V. Condor from Grenadines. The ship will be loaded with the rice at the southwestern port of Mokpo on Thursday and will depart for the North Korean port of Najin a week later.

A Samsun spokesman said there was no problem that might hinder the direct trade between the two sides.

"The shipment will be carried out as agreed recently between Cheonji Trading Co. in Seoul and Kumgangsan International Trading Co. in Pyongyang," he said.

It is not yet clear how much rice will be shipped to North Korea, the spokesman said. He, however, predicted it might go well over 100,000 tons.

It takes only two to three days by sea from Mokpo to Najin, but preparations for sailing usually require a month, he said. Loading and stevedoring take a week each, according to him.

He said payment was likely to be made in the form of coal and cement as had been originally planned.

"Actually we don't pay much attention to the form of payment. We believe we should deal with the matter in a long-term perspective," he said.

Samsun has engaged in indirect trade with North Korea via agents in Hong Kong.

The National Unification Board announced in April that it had given the green light to Cheonji to export 5,000 tons of rice to North Korea in return for 30,000 tons of coal and 11,000 tons of cement. Cheonji and Kumgangsan signed contracts for the barter trade in Tokyo on March 29.

The two companies subsequently agreed that Cheonji would ship the first 5,000 tons of rice first around May 7, but the shipment was delayed due to U.S. interference and North Korea's lack of cooperation.

While the South Korean Government viewed the deal as an internal trade between Korean people and as a catalyst in enhancing inter-Korean economic exchanges, the U.S. Rice Millers' Association publicly opposed the proposed trade, lobbying the U.S. Government strongly to oppose it.

The American association said that the sale of rice at a subsidized price may adversely affect the world rice market.

Kumgangsan further aggravated the situation by demanding Cheonji produce a timetable for delivery of the entire 100,000 tons of rice.

Inter-Korean trade began in October 1988. Two-way trade was 86 million U.S. dollars in the first half of this year (the South imported 73.6 million dollars worth of materials and goods from the North and sold 12.5 million dollars worth to the North), up 12.3 times from the same period last year.

Writers Association To Hold Symposium in China

SK1607122891 Seoul YONHAP in English 1202 GMT 16 Jul 91

[Text] Seoul, July 16 (YONHAP)—The Korean Writers Literary Association (KWLA) will hold the Second Overseas Literary Symposium in Yanbian and Beijing, China, from July 25 through July 29, the association announced Tuesday.

More than 250 Korean writers and ethnic Korean writers in the United States, the Soviet Union and China will take part in the "international academic symposium for world literary development," co-sponsored by the writers association of Chinese minorities.

They will discuss the development of the Korean national literature, the history of the modern Korean literature and literary exchanges between South and North Korea.

Poet Cho Pyong-hwa, president of the KWLA, will lead the 150-member South Korean delegation, including poets Song Chan-kyong, Pak Hui-chin and novelist Kim Pyong-chong.

Overseas poets of Korean origin include Yang Won-sik, Nam Hae-yong from the Soviet Union and An Hye-ki and Choe Chong-cha from the United States, according to the association.

A forum on the Korean national literature will be held in Yanbian on July 25 and a literary symposium, a ceremony for giving the Second Overseas Korean Literary Award and recitation of poems will take place in Beijing from July 27 through 29.

Kim Chol, a Korean-Chinese poet, was selected as the winner of the Second Overseas Korean Literary Award, the association said.

KWLA's First Overseas Literary Symposium was held in Los Angeles last year.

Iraqi Ambassador Comments on Nuclear Inspection

SK1707065391 Seoul TONG-A ILBO in Korean 16 Jul 91 p 8

[Interview with Burhan K. Ghazal, Iraqi ambassador to the ROK, by reporter Pak Yun-sok; date and place not given]

[Excerpt] [Passages omitted] [Yi] What are the most difficult issues currently facing Iraq?

[Ghazal] They can be summarized as economic sanctions and the military threat under the pretext of carrying out an inspection of nuclear facilities. Owing to the shortage of goods since Iraq has been forbidden to sell crude oil, its major source of income, the Iraqi people's living conditions are getting worse than during the war. Six thousand children have died from starvation and malnutrition in four months. If the present situation goes on, victims will number 17,000.

[Yi] The United States and the United Nations claim that they have an evidence that Iraq has facilities to produce nuclear weapons and have denounced Iraq for not cooperating in carrying out the inspection of nuclear facilities.

[Ghazal] Frankly speaking, there are nuclear facilities, but no facilities for nuclear weapons. The United States has propagandized through Western media that Iraq has dozens of nuclear warheads. Does it mean that we are such a superpower? Their claim that we are not cooperating with the nuclear inspection team is distorted. The nuclear inspection team received sufficient Iraqi cooperation on three occasions.

[Yi] When do you think the debate over a nuclear inspection will end?

[Ghazal] The idea of carrying out an inspection of nuclear facilities is a pretext to justify and strengthen the economic sanctions which have continued since the end of the war, I think. As the miserable life of the Iraqi people is exposed to the world, the international opinion calling for lifting of the economic sanctions will increase. The United States will need a means to strangle the Iraqi Government. We no longer have any nuclear facilities.

[Yi] Would you explain to me Iraq's international diplomatic relations, including Arab circles and the United States?

[Ghazal] We want to sell petroleum as in the past, for our existence. Thus, we are going to establish friendly relations with all countries.

[Yi] As to anti-U.S. sentiment in Iraq, Ambassador Ghazal stressed: "There is no need for the United States and Iraq, which had traded crude oil with each other, to maintain hostile relations." Pointing out that, because the United States establishes friendly relations with those countries, including Israel, who keep silent about their nuclear weapons, he said it is displeasing that the United States prejudicially puts forward the issue of nuclear inspection whenever political interests are at stake.

BCCI Scandal Raises Questions on Banking Rules

SK1707044591 Seoul THE KOREA TIMES in English 9 July 91 p 10

[Text] The widespread financial scandal involving the Bank of Credit & Commerce International (BCCI) has raised fresh questions about Korea's lack of an institutional device to fight money laundering and protect depositors as well as licensing procedures for foreign banks.

Depositors were awakened to the fact that their money in the hands of banks is not always 100 percent safe.

Critics say Korea should develop more rigorous screening procedures in determining the creditworthiness of international banks seeking to conduct business here.

They also raised questions about Korea's latest move toward free branch licensing of foreign banks under pressure from Washington.

They also contend that Korea should seriously consider establishing a deposit insurance system to protect depositors against bankruptcy of both local and foreign banks.

Foreign bankers in Korea say the BCCI scandal would possibly scare away Korean depositors from international bank branches here.

Korea joined Western countries Sunday in freezing BCCI's assets to protect depositors and halt any outflow of its funds abroad.

BCCI has been charged with laundering drug money and other widespread frauds. The United States, after years of investigation, discovered that the bank had laundered 32 million dollars in drug money between 1985 and 1987.

Korea lacks the manpower and legal codes to check money laundering activities here. Until now there is no evidence that banks in Korea have been engaged in laundering drug funds. But critics contend that the country is "helpless" in its fight against illegal movements of such underground money at financial institutions.

Korea has not adopted the real name financial transaction system due to domestic political reasons and anyone can open bank accounts using aliases.

A foreign banker says Korea is exposed to the possibility of the free movement in and out of illegal underground funds as there is no real name financial transaction system in force.

Korean banking regulators have paid little attention to money laundering issues.

The Office of Bank Supervision and Examination (OBSE) Sunday instructed BCCI's Seoul branch to suspend accepting deposits and issuing payment guarantees.

The Seoul branch was also told to cease all loan operations and buying of debt securities and other assets for the time being although it can withdraw maturing loans and accept interest due.

About 1,000 depositors with BCCI's Seoul can not make withdrawals at the bank until the OBSE lifts its assets freeze order.

For the first time in Korea's history, depositors have seen their money at a bank frozen. Many depositors with BCCI's Seoul branch are said to be local firms and diplomats from Arab countries.

OBSE officials said BCCI's problems are not expected to create serious social trouble in Korea because it has assets and reserves enough to meet deposit withdrawals and severance payments for its 74 Korean employees.

Holders of corporate debentures guaranteed by BCCI's Seoul branch are also nervous because the liquidation of the branch will expose them to bond default risks.

BCCI's Seoul branch has been one of the most active guarantors of corporate bonds issued by domestic firms. Its outstanding payment guarantees total 150 billion won, according to the central bank.

Four OBSE officials will stay with the Seoul branch during business hours to oversee whether the branch is honoring the OBSE's instructions.

The Korean banking watchdog had completed an in-depth audit of the Seoul branch last March. The OBSE had not found any signs of fraud committed by the Seoul branch, OBSE officials said.

The Seoul branch has no problems as the asset freeze is purely related with the head office of the BCCI, an OBSE official said.

Unlike other banks, BCCI here has awarded scholarships to students to show its commitment to Korea.

Regulators do not want to talk about BCCI's future here but they have not ruled out the possibility of withdrawing its license.

If BCCI's Seoul branch is to see its license revoked, it can not sell its assets to a third party. It must fully liquidate the Seoul operation, leaving the 74 Korean employees jobless.

A union leader of the Seoul branch said, "BCCI's Seoul union will initiate negotiations, if necessary, with management to discuss a severance package. But she added that at this stage, there is no formal talk of liquidation."

Under a labor contract, BCCI's Seoul management should get labor's "full agreement" before it decides to liquidate its Seoul operation.

BCCI's Assets Frozen

SK1707043491 Seoul THE KOREA TIMES in English 9 July 91 p 10

[Text] Diplomats in Korea filed a protest with the central bank yesterday for its freezing the assets of the Seoul branch of the Bank of Credit & Commerce International [BCCI].

A source said that several diplomats, mostly from Arab and Latin America, field a complaint with the central bank over the freeze decision.

At least two diplomats were said to have personally visited the BCCI's Seoul branch between Saturday and Monday but could not make withdrawals.

The source said that about 50 diplomats and embassies have accounts with BCCI's Seoul branch.

The Office of Bank Supervision and Examination said about 1,000 people have accounts with the BCCI's Seoul branch but they will not be able to make withdrawals until the OBSE unfreezes the bank's assets.

Diplomats Protest Freezing

SK1707043291 Seoul THE KOREA TIMES in English 10 Jul 91 p 10

[Text] The banking watchdog is considering a plan to permit the Seoul branch of the Bank of Credit & Commerce International (BCCI) to pay deposits to its customers.

An official from the Office of Bank Supervision and Examination (OBSE) said yesterday the office is cautiously considering a plan allowing BCCI customers to withdrawal their deposits from the Seoul branch.

Diplomats from several Arab and Latin American embassies filed a strong protest with the Foreign Ministry and the Bank of Korea over asset freeze by the Korean authorities Sunday.

Some embassies may not pay salaries to its staff as long as the government's ban on deposit withdrawal is in effect, sources said.

"We will make a positive consideration to BCCI Seoul's 1,000 depositors but our de-freeze of deposit only for diplomats would be against the international law and infringe upon the rights of the small-sum depositors," he added.

The OBSE has communicated with the Bank of England whether Korea can permit BCCI Seoul's customers, mostly diplomats, to withdraw their deposits yesterday. But the reaction from London was that no special preferences can be given to the diplomats and specific persons, he added.

Diplomats Deposit Funds

SK1707041291 Seoul THE KOREA TIMES in English 14 Jul 91 p 10

[Text] Diplomats from 34 countries deposited 2,164 million won with the Seoul branch of the scandal-ridden Bank of Credit & Commerce International [BCCI].

The Office of Bank Supervision and Examination [OBSE] reported yesterday that 24 embassies in Seoul had parked 3,404 million won at the BCCI's deposit accounts.

Bankers say BCCI's Seoul was able to attract foreign diplomats and embassies as its deposit interest was 0.5 percentage point above the prevailing rates at the other foreign banks.

The banking watchdog has not decided to liquidate BCCI's Seoul branch although it is sure to be wound up immediately after the liquidation of the head office of the international bank.

Under the Korean banking rules, Korean nationals are given preemptive rights to claim deposits. But central bankers say all depositors at BCCI's Seoul branch will be able to get their deposits refunded without any problem.

The OBSE's initial probe reveals that BCCI's Seoul branch, despite problems at its head office, has conducted business soundly and its assets far exceed liabilities.

More on BCCI Scandal

SK1707041191 Seoul THE KOREA HERALD in English 11 Jul 91 p 6

[Text] The Office of Bank Supervision and Examination [OBSE] denied yesterday the allegation that it has directed the liquidation of the Seoul branch of the Bank of Credit and Commerce International [BCCI].

However, the bank watchdog recognized the fact that it has barred staff workers including Christie Cherian, general manager of BCCI Seoul branch, from leaving Seoul.

The step was made not because they are involved in financial wrongdoings but because they must serve as references in the process of liquidation, a high-ranking OBSE official said.

Some newspapers reported that the OBSE permitted the bank from paying deposits on a selective basis. Sin Pok-yong, vice superintendent of the OBSE, said it is impossible for the OBSE to do so because the selective permission of drawing deposits will bring about strong protests from other depositors and foreign countries involved in the financial scandal.

However, 30 foreign embassies and about 100 diplomats in Seoul which have accounts at the BCCI Seoul branch have requested the OBSE to permit the bank to draw their deposits, he admitted.

The bank watchdog has suspended the operation of the bank and froze all assets held by the bank last Saturday.

On the other hand, asked about the damage to domestic businesses in connection with the financial scandal, Sin Pok-yong said they were found to suffer little damage.

According to him, most domestic businesses have deposits at the bank in the form of compensating balance in return for loans.

However, it was still not revealed how much damage will be suffered by domestic exporters to the Middle East and construction firms which advance into the region, he added.

Business circles estimated the total damages to domestic firms involved in trading with the Mideast countries at more than $10 million.

The managing staff of the BCCI was known to have been seeking ways of restoring the ill-fated bank.

Chances are high that Seoul branch of the BCCI will resume its operations in the near future, Sin Pok-yong said.

On the possibility of an influx of drug money into domestic banks, he said that the OBSE is considering mapping out the related-regulations to stop possible money laundering in line with the Bank for International Settlement's policy.

BCCI's Effect on Economy

SK1707044491 Seoul THE KOREA TIMES in English 11 Jul 91 p 10

[Text] Members of the central bank's policy-setting body will get together today to review the future of the Seoul branch of the ill-fated Bank of Credit & Commerce International [BCCI].

A central bank official said members of the Monetary Board will get briefed on developments of the scandal-ridden bank. But he added no special decision will be made in today's meeting.

The central bank has not decided whether to withdraw the business license and order liquidation of BCCI's Seoul branch, he added. But he said any decision regarding the fate of BCCI's Seoul branch must get approval from the policy-setting Monetary Board.

It is too early to talk about the future of BCCI's Seoul branch, he said, adding that as a precautionary step, the Justice Ministry yesterday banned seven managers of BCCI's Seoul branch, including its branch manager Christie Cherian, from leaving the country.

An official of the Office of Bank Supervision and Examination said the exit ban was made not because they are involved with any fraud but to protect depositors.

An angry manager of BCCI's Seoul fumed that he was listed on those banned from leaving the country, contending that I am a Korean but they (central bankers) treated me as if I were a criminal.

He said any further damage to his personal privacy will force him to refuse cooperation with the regulators.

"The central bank will continue to consult with leading industrialized countries to settle the BCCI issue," regulators said.

The most pressing task of the central bank is how to protect 1,100 depositors including 30 embassies and 120 diplomats, he said. "We are reviewing every possibility of having BCCI's Seoul branch pay out deposits to its clients," he said.

Under the Korean banking regulation, Korean nationals get priority in taking out deposits from a bank to be liquidated. But the Vienna Convention calls for giving special consideration to diplomats.

If the central bank instructs BCCI's Seoul branch to pay out deposits "out of our own discretion," Korea may violate international laws and practices. He added "we are not in a position to order BCCI's Seoul branch to pay deposits to its clients."

There is also possibility that BCCI may tide over its current woes and begin restructuring. In such case, BCCI's Seoul branch will return to normal operation, central bankers said.

The central bank will be taking every step to protect depositors, to help employees get severance compensation and to get BCCI's Seoul office to pay taxes in case of its liquidation, they said.

When the BCCI head office is to be liquidated, BCCI's Seoul branch will be told to close its Korean operation voluntarily. Unless it accepts the central bank's order, it can revoke its business license and get BCCI's Seoul liquidated, they said.

Although central bankers say BCCI's effect on the economy is negligible, general trading companies and major enterprises are all alert.

Many construction firms and trading houses active in business with the Middle East countries will face financial loss if BCCI's Seoul is liquidated, company executives said.

The central bank has mapped out contingency plans to minimize financial loss for local firms in the wake of the liquidation of BCCI's Seoul branch, central bankers said.

Travelers cheques issued by BCCI are not accepted at major hotels, shopping centers and travel agencies.

British bankers in Korea have a difficult time in explaining to clients and callers that BCCI is not a British bank. A London banker in Seoul said, "nervous clients made inquiries over the safety of their deposits at British banks out of their misunderstanding that BCCI is a British bank."

BCCI is owned by an Arab sheikh, is based in Luxembourg and the Cayman Island on the British colony. It is not a British bank but its head office is located in London, he said.

Officials of Citibank in Korea also have a tough time in calming down nervous clients who questioned the safety of their deposits at the Citibank or foreign banks in Korea.

Citibank said it has not seen any slowdown in outstanding deposit growth since news leaked out about BCCI's fraud and financial woes.

In fact, "our (Citibank) deposit growth rate has not grown quickly these days, not because depositors are wary of the side effect of BCCI's asset freeze but because we have been locked in wage disputes," a Citi official said.

Liquidator Appointed for BCCI

SK1707042191 Seoul THE KOREA TIMES in English 13 Jul 91 p 10

[Text] A liquidator was appointed yesterday for the Seoul branch of the Bank of Credit & Commerce International [BCCI] yesterday but the Korean banking watch-dog refused to accept his appointment due to legal problems.

Ian White, official receiver and liquidator of the BCCI in London, appointed Paek Kun-kil of the Korean accounting firm Sedong & Co. as an official receiver and liquidator of BCCI's Seoul branch.

Paek yesterday visited the Office of Bank Supervision and Examination to notify central bankers of his appointment.

But Paek quoted central bankers as saying that they could not accept the appointment because he was not carrying any authorized letter. Paek was carrying a fax message from Ian Smith on his appointment.

My impression with the central bankers is that the Korean authorities will take independent action on BCCI's Seoul branch in keeping with developments at BCCI's head office, Paek said.

My appointment does not mean that I was authorized to disband BCCI's Seoul branch immediately, he said, indicating that he was an actually given authorization to take care of BCCI's Seoul branch on behalf of Ian White, who was designated by the governor of the Cayman Islands as an official liquidator of all global operations of the scandal-ridden bank.

In a related development, the tax office started a special probe of the Seoul branch of the Bank of Credit & Commerce International (BCCI) Thursday.

A four-member audit team rushed to the Seoul branch Thursday afternoon, a source said.

The tax investigation was made one day after it failed to pay 67 million won in sundry taxes. The bank could not pay the tax because all of its assets were frozen Saturday.

Government Reshuffles Diplomatic Posts

SK1707052591 Seoul YONHAP in English 0102 GMT 17 Jul 91

[Text] Seoul, July 17 (OANA-YONHAP)—The South Korean Government on Wednesday appointed Yi Chong-pin, first assistant minister of foreign affairs, the ambassador to India.

Chang Man-sun, head of the Ministry's Planning and Management Office, replaces Yi.

Other new appointees include Yun Yong-yop, a senior researcher at the Institute of Foreign Affairs and National Security (IFANS), as ambassador to New Zealand, and Kwon Tae-Ung, also of IFANS, as ambassador to Spain.

Han Chol-su, ambassador to Taiwan, moves to Brazil. Pak No-yong, ambassador-at-large, replaces Han. Kim Ki-su, ambassador to Brazil, assumes new post in New York as consul-general.

The government also named Hong Sun-yong of IFANS the new ambassador to United Arab Emirate, Kim Hae-son the chief of South Korean Embassy in Argentina and Chang Myong-ha the ambassador to Colombia.

Kwak Hoe-chung, ambassador-at-large, will head the embassy in Bahrain.

Yi Han-chun, minister to Japan, is the new ambassador to Jordan, and Pak Yong-u, minister to Geneva, will head the embassy in Hungary.

Ho Ri-hun, director-general of the Ministry's Consular and Overseas Residents Affairs Bureau, was named ambassador to Morocco. Sin Song-o, director-general of Information and Cultural Affairs Bureau, goes to Bangladesh as ambassador.

Kim Sam-hun, director-general of the International Trade Bureau, was named the second ambassador to Geneva, and Yi Sok-kon, ambassador to Somalia, was relocated to Papua New Guinea.

Kang Ung-sik, Ministry's deputy director-general for American affairs, was appointed ambassador to Guatemala, and Yang Tae-kyu, deputy director-general for Middle East and African affairs, was named ambassador to Ivory Coast.

Cho Ki-song, ambassador to Guatemala, returns to the headquarters as director-general of Information and Cultural Affairs Bureau.

Kim Hung-su is the new director-general for Consular and Overseas Residents Affairs Bureau. Ministry auditor Kim Yong-kyu will head the International Trade Bureau, and Kwon Sun-tae of IFANS replaces Kim as the new auditor.

Kim Yong-sik, from IFANS, was newly appointed as deputy director-general for American affairs, and Yim Tae-taek, also from IFANS, for Middle East and African affairs.

Returning to Seoul as IFANS researchers will be Ambassadors Chang Myong-kwan from Spain, Yi Sang-chin from Argentina, Kim Tae-chi from India, Pak Tae-chin from Jordan, Han Tae-chae from Hungary, Pak Chong-ki from the United Arab Emirates, and Choi Ui-sok, consul-general in New York.

Returning to Ministry headquarters will be Ambassadors Ah Yong-chol from Colombia, Yi Chong-op from Morocco, U Mun-ki from Bahrain, Kim Sung-ho from Ivory Coast and Choe Nam-chun from Papua New Guinea.

Nuclear Power Plant at Wolsong Shuts Down

SK1707053391 Seoul THE KOREA TIMES in English 17 Jul 91 p 8

[Text] A nuclear power plant at Wolsong, Kyongsang-puk-to, was shut down early yesterday morning due to mechanical trouble in its turbines, the Energy-Resources Ministry said yesterday.

But there was no immediate shortage of electric power as the nation was in a long spell of rainy weather, the ministry said.

The stoppage of power production in the Wolsong unit began around five o'clock yesterday morning after it was discovered that circuits designed to control turbine valves broke down. The exact cause of the breakdown was not immediately known.

Power production resumed four hours after the shutdown but the power plant was operating at only 50,000 kw, far below than its normal capacity of 679,000 kw, officials said.

Despite the shutdown, the power reserve ratio was maintained at 9-10 percent thanks largely to the relatively cool weather. The power supply capacity was brought down to 18.7 million kw from around 19.4 million kw.

Tuesday's breakdown in Wolsong is known to be the 16th this year among the nation's nine nuclear power stations.

The Wolsong nuclear power plant came on stream in 1983 with its nuclear reactor being a Candu-type pressurized heavy water reactor. All other atomic power plants in Korea are installed with pressurized water reactors.

Korea has been threatened with an unprecedented power shortage this summer because of a sharp rise in consumption coupled with frequent breakdown of nuclear power plants.

The nation's power reserve ratio plunged to a perilous 2.2 percent, when the number two unit at Yonggwang broke down for five hours, and again when another breakdown occurred at the number two unit at Kori, both early this month.

The steep rise in power consumption was attributed particularly to the widespread use of air conditioners in summer, which is analyzed to consume more than 4.0 million kw. The number of air conditioners distributed nationwide was allegedly around 2.3 million.

KNCC Says 1,630 'Political Prisoners' in Jails

SK1607123691 Seoul YONHAP in English 0853 GMT 16 Jul 91

[Text] Seoul, July 16 (YONHAP)—South Korea had 1,630 "political prisoners" in 30 jails on July 13, the largest number since President No Tae-u was sworn in, the Korea National Council of Churches (KNCC) said Tuesday.

The KNCC Human Rights Committee said the number jumped from 760 in 1987 to 849 in 1988, 849 in 1989 and 1,159 in 1990.

Violation of the National Security Law was the most common crime committed by "political prisoners" at 35.5 percent, followed by throwing firebombs (15.8 percent) and violation of the law on rallies and meetings.

Cambodia

SPK on Opening of Informal SNC Meeting

BK1707061091 Phnom Penh SPK in English 0505 GMT 17 Jul 91

[Text] Phnom Penh SPK July 17—The informal inter-Cambodian meeting opened in Diaoyutai State Guesthouse, Beijing, Monday morning under the chairmanship of Samdech Norodom Sihanouk, reports an SPK correspondent from the Chinese capital.

Seated counter-clockwise from Samdech, convener and chairman of the meeting, were H.E. [His Excellency] Hor Namhong, H.E. Hun Sen, H.E. Ieng Muli, H.E. Im Chhunlim, Prince Norodom Ranariddh, H.E. Khieu Samphan, H.E. Son Sann and H.E. Son Sen.

In his opening speech Samdech Sihanouk said that there was no agenda fixed for today (16th July 1991) or for tomorrow (17th July 1991) but that as the international community wishes and expects that we could as promptly as possible find a good compromise concerning the peace plan of the Perm-5 [five permanent members of the UN Security Council]. [sentence as received]

As all the factions have already accepted the framework document of 28 August 1990, Samdech Sihanouk stressed that he had not overlooked the fact that the current gathering in Beijing is not a full meeting of the SNC of Cambodia and that all SNC members are not present in Beijing, however, Samdech Sihanouk added, that should not prevent those in Beijing at present to search for a compromise or for satisfactory solutions regarding those issues which remain to be settled. Side by side with the important problems there are those of secondary importance. Some of you wish to bring to our attention some matters which you wish to be discussed in Beijing and that is fine as long as we advance the peace process for our country, he stated.

As your chairman, I sh'll remain neutral and impartial and I shall not try to influence your delibarations one way or the other. I shall be at your disposal to help you to reach mutual understanding and to achieve success in your deliberations for the salvation of our motherland and our unfortunate people.

I trust that on the 17th July communique making known to our nations, our friends and our supporters around the world that we are still making progress toward the normalzation of the situation in Cambodia. [sentence as received] It is necessary to seriously think on the reconstruction and the rehabilitation of our country in the very near future with the generous assistance of all the friendly countries and peoples, Samdech Sihanouk concluded.

Attending the meeting as observers were Rafiuddin Ahmed, representative of the UN General Secretary, Nana Sustresna and Sylvie Berman, representatives of the PICC [Paris International Conference on Cambodia] co-chairmen.

Speaking to foreign journalist prior to the meeting on the question why the Phnom Penh government sends only 3 SNC members to the Beijing gathering, Samdech Norodom Sihanouk said : "The meeting in Beijing (July 16-17) is informal and only involves some of Cambodian leaders. This meeting is not a formal SNC meeting. H.E. Hun Sen has told me that 3 members of the SNC of a total 6 belonging to the council from the Phnom Penh government are busy. They have work to do in Cambodia and some have to undertake missions abroad.

"The informal meeting in Beijing is a preparatory gathering before the formal SNC meeting in Bangkok, meeting which will be held in the Thai capital after the 20th August 1991.

Sihanouk: SNC To Meet in Bangkok 26-28 Aug

BK1607123191 Phnom Penh SPK in English 1102 GMT 16 Jul 91

[Text] SPK Beijing June 16th—The morning session of the inter-Cambodian meeting held in Beijing this morning [word indistinct] to hold a formal meeting in Bangkok late next month.

Speaking to observers after the session, Samdech Norodom Sihanouk said the next formal SNC [Supreme National Council] meeting would be held in Bangkok from August 26 to 28. The morning session also selected a delegation of the SNC to represent Cambodia at the forthcoming UN General Assembly. The delegation, according to Samdech Norodom Sihanouk, is composed of Samdech Norodom Sihanouk as chairman and the members, in alphabetical order, H.E. [His Excellency] Hor Namhong, H.E. Hun Sen, H.E. Khieu Samphan and H.E. Son Sann. Alternative members are H.E. Ieng Muli, His Royal Highness Prince Norodom Rannariddh, H.E. Dith Munti, and H.E. Im Chhunlim.

Samdech Norodom Sihanouk further said the session also appealed to the UN to send to Cambodia a team to supervise the cease-fire and the cessation of arms supply. After that, the prince (?said) there should be teams from the UN to cooperate with field commanders of the armed forces of the Cambodian factions in ensuring the implementation of the cease-fire and the cessation of foreign arms supply and studying the clearance of land mines which may cause casualties to innocent people, including children.

Prime Minister Hun Sen, who arrived in Beijing Monday afternoon, was greeted at the airport by Samdech Norodom Sihanouk, convener and chairman of the current informal meeting of the SNC, and his wife, Monique Sihanouk.

Speaking to the prince upon his arrival, P.M. [Prime Minister] Hun Sen said he was very glad to receive the invitation of the prince to attend the Beijing meeting for the sake of a lasting peace in Cambodia.

Prince Sihanouk and his wife offered a dinner in honour of all members of the SNC delegation from the State of Cambodia at the prince's Beijing residence.

SNC Decision on UN Monitoring Cease-Fire

BK1707053491 Phnom Penh SPK in English 0518 GMT 17 Jul 91

[Text] Phnom Penh SPK July 17—The afternoon session of the informal inter-Cambodian meeting in Beijing agreed that a United Nations mission should be sent to Cambodia to evaluate the modalities of control of the cease-fire, reports an SPK special correspondent from the Chinese capital.

A letter, signed by Prince Norodom Sihanouk, said the United Nations should send a survey mission to Cambodia to evaluate the modalities of control of the cease-fire and the appropriate number of UN personnel needed to control the cease-fire and the cessation of foreign military supplies in cooperation with the SNC [Supreme National Council] military working group.

The meeting also decided, among other issues, to select two persons from each party to represent the SNC in attending the Mekong Committee meeting due to be held in Bangkok in mid-August and from November 4-6, 1991.

On the SNC's secretariat, the meeting decided to set up a secretariat with three representatives from each party, and that the secretariat should start functioning one week before the opening of the formal meeting of the SNC in Bangkok late next month.

The meeting also discussed the question of sending U.N. experts for mine clearance in Cambodia as a preparatory work for the repatriation of Cambodian refugees.

The afternoon session was ended with fruitful results and optimistic feeling for the global solution of the Cambodian problem.

Sihanouk, Hun Sen Reach Agreement on Chairman

BK1707050291 Hong Kong AFP in English 0500 GMT 17 Jul 91

[Text] Beijing, July 17 (AFP)—Prince Norodom Sihanouk is to resign as the head of the Cambodian resistance and become the neutral chairman of a national council of reconciliation, it was announced here Wednesday.

In a joint statement with the Prince, Cambodian Premier Hun Sen agreed to drop an earlier demand that he be made vice-chairman of the Supreme National Council (SNC), which represents Cambodia's sovereignty.

In return, Prince Sihanouk agreed to resign as president of the resistance and "from now on to stand neutral, acting as a conciliator without belonging to any faction or political party."

The agreement between the two rivals, which had not yet received the backing of the three-party resistance, would pave the way for smooth functioning of the SNC, which opened a two-day meeting here Tuesday.

The former Cambodian monarch said his successor as resistance leader would be elected by the three factions, the Khmer Rouge and two smaller non-communist groups.

The statement said the two leaders considered the agreement "the best solution for putting an end to hostility between the Cambodian parties in the conflict through Prince Sihanouk's neutral and conciliatory role."

"Therefore," it added, "Prince Sihanouk and Hun Sen urge the other members of the Supreme National Council of Cambodia to support this agreement."

The resistance has been fighting the Phnom Penh government since it was installed by Vietnam in 1979 after the overthrow of the pro- Beijing Khmer Rouge.

Results of SNC Meeting in Beijing Reported

BK1707015291 (Clandestine) Voice of Democratic Kampuchea in Cambodian 2330 GMT 16 Jul 91

[Text] On 16 July, the Cambodian Supreme National Council [SNC] met in Beijing under Samdech Norodom Sihanouk's lofty chairmanship, with the participation of representatives of the Paris International Conference on Cambodia [PICC] and the representative of the UN Secretary General.

According to reliable sources, at the first session of the meeting on 16 July, the SNC discussed and unanimously agreed on the following issues:

1. To set up an SNC delegation led by Samdech Norodom Sihanouk to attend the forthcoming 46th UN General Assembly;

2. To fix the date of the SNC meeting in Bangkok on 26 and 27 August;

3. To propose that the United Nations control the cease-fire and the end of military aid.

According to the sources, the representatives of the five permanent members of the UN Security Council and PICC representatives will also meet in Beijing on 17 and 18 July to discuss the Cambodian problem, particularly the issue of dispatching UN control forces to Cambodia.

VONADK Cites Sihanouk Remarks in Beijing

BK1707024891 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 16 Jul 91

["Samdech Sihanouk Answers Some Questions in Beijing"—read by announcers]

[Text] [Announcer] Why did the Phnom Penh side send only three of its six Supreme National Council [SNC] members to attend the meeting in Beijing?

[Sihanouk] A. The meeting in Beijing on 16 and 17 July is an informal meeting and concerns only some of the Cambodian leaders. This meeting is not an official meeting of the SNC.

B. Hun Sen informed me that the Phnom Penh side's three other SNC members are busy; they have work to do inside Cambodia and some are on mission abroad.

C. The informal meeting in Beijing is a preparatory meeting before the official SNC meeting in Bangkok after 20 August. The date of the meeting has not yet been fixed.

[Announcer] What are the issues to be discussed at the Beijing meeting? What is on the agenda of this meeting?

[Sihanouk] The Party of Democratic Kampuchea [PDK] has proposed the following agenda:

A. The establishment of the SNC headquarters in Phnom Penh;

B. The composition of the SNC delegation led by Samdech Norodom Sihanouk to the forthcoming UN General Assembly [UNGA];

C. The continuation of the discussion on the UN control of the cease-fire and the end of foreign military aid;

D. The continuation of the discussion on the search for a comprehensive solution to the Cambodian problem; and

E. The date of the official SNC meeting in Bangkok in August 1991.

The party of His Excellency Son Sann will propose other issues to the agenda. Let His Excellency Son Sann tell you about all this. As for Hun Sen, he may tell you about what he has agreed to discuss and what he has not agreed to discuss at this meeting in Beijing.

[Announcer] Is the samdech optimistic that the Beijing meeting will be fruitful?

[Sihanouk] It is very important to keep the fine momentum of the active peace process in Phatthaya. The meeting of Cambodian leaders in Beijing will certainly achieve results on some secondary issues and will lead to a reconciliation among Cambodians along the direction of the five permanent members' peace plan.

I hope that our final joint communique, to be issued on the afternon of 17 July, will be good.

[Announcer] Chea Sim recently announced that it is necessary to put on trial some Khmer Rouge leaders, at a court similar to the Nuremburg Court on genocidal crimes. What is the samdech's view on this?

[Sihanouk] The SNC certainly cannot go along with Chea Sim's idea. In fact, if this issue is raised at the SNC meeting, the PDK will object to it and veto it. Thus, the good relations within the SNC since Phatthaya would be damaged and the peace process would be plunged into danger and all of us would fall into the dangerous situation which existed before Phattahaya.

[Announcer] Inside Cambodia, there have been violations of the cease-fire which was announced in Phatthaya. If these violations continue, will they not threaten the Phatthaya agreement and hinder the peace process in the general?

[Sihanouk] Officially recognized by the Phnom Penh regime, these violations are only minor and not major ones; they do not threaten the agreement and the peace process. However, these violations make us feel that it is necessary to appeal to the United Nations to urgently assist us—assistance in the form of the dispatch of at least 200 UN troops to Cambodia to assist the SNC to maintain peace and stability in Cambodia.

However, this issue is not up to Chairman Sihanouk, who has to remain neutral toward various Cambodian parties. However, to achieve a reasonable compromise between the PDK and the Phnom Penh side, it involves UN control over the cease-fire and the end of foreign military aid.

[Announcer] Is there a working connection between the meeting of the five permanent members' representatives and the meeting of various Cambodian parties in Beijing?

[Sihanouk] Judging from Hun Sen's proposal, there would be no working meeting between representatives of the five permanent members and various Cambodian parties in Beijing. However, the five permanent members' representatives might hold talks on this or that aspect of the Cambodian problem with this or that Cambodian leader on a personal basis, for example with Sihanouk alone or only with another Cambodian leader as an individual.

Sihanouk as an individual will be holding an informal working meeting on the night of 17 July with representatives of the five permanent members, the UN Secretary General special envoy, and the representatives of the Paris conference cochairmen.

[Dated] Beijing, 16 July 1991

[Signed] Sihanouk

Chea Sim Holds Talks With Anan in Bangkok

BK1707044091 Hong Kong AFP in English 0420 GMT 17 Jul 91

[Text] Bangkok, July 17 (AFP)—Phnom Penh's National Assembly Chairman Chea Sim said Wednesday he had good talks with senior Thai leaders during a stopover on his way home from Tokyo and their outcome was positive.

Mr. Chea Sim, who is also the number two man in the Politburo of Phnom Penh's pro-Vietnamese ruling communist party, met Prime Minister Anan Panyarachun and Supreme Commander General Sunthon Khongsomphong on Tuesday.

Last week, on his way to Japan, he had meetings with Foreign Minister Asa Sarasin and Army Chief General Suchinda Khraphrayun.

"This shows steps to starting good relations with Thailand," Mr. Chea Sim told reporters.

Prime Minister Anan reaffirmed Thailand's intention to open an embassy in Phnom Penh accredited to the Supreme National Council (SNC) of representatives of Cambodia's four rival factions, a government spokesman said.

Thailand, a long-term supporter of the anti-Phnom Penh guerrilla alliance, has no diplomatic relations with the Phnom Penh government established with Vietnamese support in early 1979 after Vietnam invaded Cambodia and drove the Khmer Rouge goverment from power.

Thailand has lately adopted a more conciliatory stance towards the Cambodian conflict and has acted as host at a number of meetings of the four factions.

Mr. Chea Sim was also invited to come to Thailand for medical checks, Thai officials said. The Cambodian leader was reported to have suffered a light stroke in late 1989, they said.

Speaking to reporters on Wednesday Mr. Chea Sim expressed cautious optimism on the prospects for peace in his country.

He said that the Phnom Penh government had earlier made advances on the battlefield and that the Khmer Rouge and other guerrilla armies had suffered setbacks but political compromise was still essential.

"If all factions compromise this problem can be solved very soon," he said.

Heng Samrin Receives Visiting Lao Minister

BK1707072591 Phnom Penh SPK in English 0528 GMT 17 Jul 91

[Text] Phnom Penh SPK July 17—President Heng Samrin received in Phnom Penh Monday a Lao delegation led by Saman Vi-gnaket, minister of education and sports.

Speaking to his guests, President Heng Samrin, who is also general secretary of the People's Revolutionary Party of Kampuchea Central Committee, welcomed the Lao delegation's visit as a contribution to promoting the solidarity, friendship and all-sided cooperation between the parties, governments and peoples of Cambodia and Laos, especially between the two ministries of education.

He also spoke of the Cambodian people's efforts in restoring the national infrastructures which were destroyed by the genocidal Pol Pot clique and the long civil war. He attached the Cambodian people's achievements in all spheres to the material and moral assistance of the Lao people, other friendly countries and international organizations the world over.

After briefing his guest of the capability of the Cambodian People's Armed Forces to shoulder the task of national defence by themselves following the pull-out of all Vietnamese troops from the country and the new developments in the process of a political solution to the Cambodian issue, the Cambodian leader pointed to the necessity of further consolidating and developing the friendship and solidarity between Cambodia and Laos and among the three Indochinese countries as a whole.

Saman Vi-gnaket, who is also Politburo member of the Lao People's Revolutionary Party Central Committee, said he rejoiced to see the all-round achievements of the Cambodians.

The Lao head delegate informed President Heng Samrin of the results of his visit and the exchange of experiences between the two ministries on the principle of equality and mutural benefits.

The Lao delegation left here on July 16.

While here the delegation was also received by Vice Premier Chea Soth and had talks with Cambodian Education Minister Yos Son. It also visited the Angkor Wat in Siem Reap Province.

Party Paper Calls For Efforts in Defense

BK1707070991 Phnom Penh Samleng Pracheachon Kampuchea Radio Network in Cambodian 2300 GMT 16 Jul 91

[PRACHEACHON editorial: "Actively Pool Efforts To Successfully Achieve Tasks in the New Phase"]

[Text] The positive results of the recent meeting of the Supreme National Council in Phatthaya, Kingdom of Thailand—which agreed on an unlimited cease-fire, the halt to receiving foreign military aid, and a number of issues—vindicated clearly and justly the truth and goodwill of the State of Cambodia in the search for genuine peace for the Cambodian people.

The unlimited cease-fire and the aid halt mean that there will be no more fighting, and by extension no war. However, cease-fire violations continue to be reported since 1 May. The State of Cambodia has exercized great patience. To this day the enemies has not shown any clear changes in their attempts to topple us. They have violated the agreement and could launch large-scale offensives again once they consolidate their forces and if the time is right. Also, they will stir up trouble and carry out sabotage to destroy us in many other sectors to weaken us so as to achieve their strategic goal.

Experience has taught us that our victories over the past more than 12 years, particularly the good results of the recent diplomatic struggle, depends on the firmness of our real forces in every field. All of us have actively contributed to the building and the gradual strengthening of these forces, thereby building a great superiority over the enemy. The all-round situation indicates that we have superiority on the battlefield. Therefore, all sectors, levels, cadres, party members, armed forces, and people throughout should heighten their spirits and increase the mastery and self-reliance spirit to unite around the Kampuchean People's Revolutionary Party and vigorously make efforts in their respective roles to succeed at every task.

The main thing is to concentrate on building and firmly consolidating forces in every sector to secure a sufficient capability in defending the social and national gains, preventing the genocidal Pol Pot regime's return and ensuring the defense of independence, sovereignty, and self-determination right of the people.

In the immediate future, along with abiding by the cease-fire, our Armed Forces in every unit and at every position should consolidate their positions and prevent enemy violation of the agreement and infiltration. We should pay attention to building forces according to existing plans and continue training to consolidate our forces to firmly defend our positions. Also, we should monitor the enemy's activities and quickly and accurately assess their strategy and maneuvers.

Apart from carrying out propaganda and ideological work among the people to enable them to have a clear understanding of the rapidly changing situation of the country and nation, party committees, people's committees, and mass organizations at all levels should also promote and encourage social and national forces to take part in building and consolidating the real forces in every field. In addition to this, they should be consolidating their working methods; promoting production and increasing agricultural production; maintaining stability; and preventing the genocidal regime's return in Cambodia.

Defector Says 50,000 SRV Troops Near Border

BK1707023591 Bangkok BANGKOK POST in English 17 Jul 91 p 7

[Text] Ta Phraya— A Heng Samrin army major, who has defected to a resistance force, claims there are more than 50,000 Vietnamese soldiers deployed as mercenaries and military advisers near the Cambodian-Vietnamese border.

Sources quoted Maj Noy as saying he had deserted the 186th regiment at Phnom Salok fire base, north of Sisophon, and defected to the Khmer People's National Liberation Front.

Maj Noy claims the regimental commander is a Vietnamese who treats Heng Samrin soldiers badly. The Vietnamese have occupied Kampong Cham and Krachae provinces and six neighbouring districts 15 to 20 kms inside Cambodia from the border with Vietnam since late June.

Sources said 12,000 Heng Samrin troops and 45 Soviet-made T-54 tanks have been prepared for a major offensive against Khmer Rouge guerrillas in the gem-rich Pailin township opposite Trat.

Indonesia

Japanese Shipping of Nuclear Waste Discussed

OW1507151891 Tokyo KYODO in English 1432 GMT 15 Jul 91

[Text] Bandung, Indonesia, July 15 KYODO—Japanese ships carrying radioactive waste and nuclear materials constantly cross the South China Sea, a delegate reportedly told a meeting of 10 Asian nations Monday.

Taiwanese delegate Kuen Chen-fu, in confirming another delegate aired the issue [as received], said the Japanese Government is sending spent nuclear fuel to France and Britain via the busy South China Sea lanes for reprocessing.

Another official who did not want to be identified said although Japan does not dump any nuclear waste in the sea, the fact the ships carried radioactive material was dangerous enough.

Haysim Jalal, chairman of the meeting, said in future Japan should be involved in South China Sea talks.

The four-day meeting aims at solving the issue of sovereignty and discussing joint development of the resource-rich Spratly and Parcel Islands. Most of the participating nations claim some or all of the islands.

Diplomatic Relations Established With Micronesia

BK1607114091 Jakarta ANTARA in English 1040 GMT 16 Jul 91

[Text] Tokyo, Jul 16 (OANA-ANTARA)—Indonesia and Micronesia Tuesday signed a joint communique for the establishment of diplomatic relations between the two countries at the ambassadorial level.

The ceremony marking the joint communique signing took place at the Indonesian Embassy in Tokyo with the Indonesian ambassador to Japan, Puji Kuntarso, as the representative of Indonesia and the Micronesian envoy to Japan Masao Nakayama as his country's representative.

According to the joint communique, both Indonesia and Micronesia intend to promote mutual friendship and develop cooperation based on the UN principles.

According to some diplomats, the efforts to explore the possibility of opening diplomatic relations between the two countries began when Indonesian Foreign Minister Ali Alatas met his Micronesian counterpart during the

Asia Pacific Economic Cooperation (APEC) meeting in Seoul, South Korea recently.

Ambassador Kuntarso said the joint communique was aimed at making the Indonesia-Micronesia relations closer.

Meanwhile, Ambassador Nakayama said that the opening of Indonesia-Micronesia diplomatic ties will mean a lot for the endeavor to turn out a stable and peaceful region in the Asia-Pacific.

Micronesia comprises thousands of tiny islands in the Pacific with a total population of around 200,000 that mostly work in the agriculture and fishery sectors.

Ethnic groups like Malay and Japanese constitute the larger part of the country's total population.

Philippines

New U.S. Bases Treaty Agreement Reported

Compensation Called Bargain

HK1707113891 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 17 Jul 91

[Text] A new treaty has been forged by the Philippines and the United States regarding the American military bases in the country. In a joint statement, both parties announced the contents of the new agreement. Only the Subic Naval Base will be retained by the American forces within ten years starting 16 September 1991. Nonetheless, Clark Air Base will be handed over to the Philippines in September next year after it undergoes cleanup.

On the issue of compensation, the United States will allocate $203 million as annual compensation, which is a bargain.

Compensation Package Reported

HK1707105591 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 17 Jul 91

[Text] The Philippines and the United States arrived today at an agreement providing for a 10-year bases retention extension for the U.S. naval facilities in Subic Naval Base and for its withdrawal from Clark Air Base by September 1992.

In a joint statement issued and read by U.S. spokesman Stanley Schrager, it was reported that the United States will hand over Clark to the Philippines in September next year. Four small U.S. facilities in the country will also be handed over in Manila in September, including the remaining installations.

Based on the agreement announced by both parties, the Philippines will receive a compensation package of more than $550 million for the year 1992.

Accord Includes Clark Withdrawal

HK1707093491 Hong Kong AFP in English 0903 GMT 17 Jul 91

[Text] Manila, July 17 (AFP)—U.S. and Philippine negotiators announced Wednesday that they have reached a new military bases agreement providing for a 10-year new lease on Subic Naval Base and an American withdrawal from Clark Air Base by September 1992.

Philippine Foreign Secretary Raul Manglapus and U.S. negotiator Richard Armitage reached agreement two months before the expiry of the current lease on Clark and Subic, the largest U.S. military facilities abroad.

Clark, the headquarters of the 13th U.S. Air Force, was heavily damaged by the eruption of the Mount Pinatubo volcano last month, when it was evacuated by 16,000 U.S. servicemen, civilian employees and their dependents.

Despite sustaining equally heavy damage, Subic is now operational and fulfilling its main function of providing supply and repair services to the Japan-based U.S. 7th fleet.

Offer Not Acceptable to Senators

HK1707072791 Quezon City Radyo ng Bayan in Tagalog 0605 GMT 17 Jul 91

[Text] Members of the Senate held an emergency caucus today headed by Senate President Jovito Salonga to discuss the latest position of the Americans on their military bases in the country. Here is Jojo Ysmael for the complete details:

[Begin recording] According to Senate President Jovito Salonga the new compensation offer of the United States on its continued use of Subic Naval Base is not acceptable to many senators. Salonga said that it only made the senators disagree more on the said position of the Americans, who even lowered from $360 million to $203 million the rental payment for the use of Subic Base.

Any agreement signed by both panels must have the approval of the Senate before it can be put into effect. Salonga mentioned that Foreign Affairs Secretary Raul Manglapus assured them that he will not sign any agreement unless a copy of the proposed agreement is submitted to the Senate. It is known that based on the agreement, the two panels have agreed to give the United States a 10-year extension on the military facilities in the country, but they have also deleted the earlier proposal to give the United States just one year to withdraw its facilities. [end recording]

Ashfall Closes Manila International Airport

HK1707112891 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Jul 91

[Interview with Ninoy Aquino International Airport General Manager Carrascosso by anchorman Joe Taruc—live]

[Excerpts] [Taruc] GM [General Manager], good afternoon to you.

[Carrascosso] Good afternoon, Joe.

[Taruc] We called up because at this moment we are experiencing a thick ashfall. Is there a possibility you are closing the airport again?

[Carrascosso] Yes, we have closed it.

[Taruc] What time did the airport close?

[Carrascosso] As of about five minutes ago [0755 GMT]. I diverted all other flights, and I ordered the ones that are here not to depart.

[Taruc] So it means that we do not have incoming and outgoing international and domestic flights.

[Carrascosso] Yes, that was our announcement. Since yesterday we have been monitoring this, so we were able to mobilize ourselves. We are just waiting for this ashfall to stop and if the condition prevails, maybe as soon as it stops, maybe within 36 hours we will open again.

[Taruc] So it means, GM, since yesterday you felt it already and this afternoon the situation worsened.

[Carasscosso] Yes the situation worsened today. As of 1700 yesterday we already had a little ashfall and it was intensified by the incoming typhoon in the Philippines. Our wind direction is exactly coming from Mt. Pinatubo toward Metro Manila. [passage omitted]

[Taruc] Can we give an advisory to all the passengers of these flights not to proceed to Ninoy Aquino International Airport? For sure they won't be able to make their flights?

[Carrascosso] You can now advise them, Joe, because the ashfall is continous and we cannot work yet. The Philippine Atmospheric, Geophysical, and Astronomical Science Administration and the Philippine Institute of Volcanology and Seismology said to me that this will go on for the next 12 hours. Only after 12 hours can we determine if the ashfall will stop or not.

[Taruc] And after 12 hours will you have a clearing operation?

[Carrascosso] The clearing operation as of yesterday is already ready. And within 24 hours after the ashfall stops, we will open again.

[Taruc] So for more than one day, or more than 24 hours, we will not be able to fly in or out?

[Carrascosso] Yes, that is already confirmed.

[Taruc] Thank you very much, GM. Do you wish to stress something for those passengers and their relatives who are leaving or departing?

[Carrascosso] I would like to tell them that those flights that are leaving or departing starting at 1700 this afternoon will not be able to make it. We do not have any flights from now until tomorrow. For 24 hours we will not have any flights.

[Taruc] When do we expect the next announcement from your office?

[Carrascosso] We will coordinate with you by midnight tonight or early tomorrow morning on the condition of the airport.

[Taruc] Thank you very much, GM Carrascosso.

[Carrascosso] Thank you, Joe.

PRC Donates Relief Aid to Pinatubo Victims

HK1607093391 Quezon City MALAYA in English 16 Jul 91 p 3

[By Chit Estella]

[Text] Apparently trying a new diplomatic tack, the People's Republic of China yesterday announced it was giving $400,000 worth of assistance to the Philippines for victims of the Mt. Pinatubo eruption.

The donation was conveyed through Chinese Ambassador Huang Guifang who paid a courtesy call on President Aquino yesterday afternoon. The assistance comes at a time when China is having its own problems dealing with the worst flood in 100 years and an economic agreement recently signed between Philippine and Taiwanese officials.

"It is worthwhile mentioning that the Chinese government still decided to render its help to the Philippines at the moment when we are also experiencing disastrous flooding in China," Huang said, adding that 18 of his country's 35 provinces were affected by the floods.

The ambassador said the controversial economic agreement between the Philippines and Taiwan, over which Philippine-PRC relations are undergoing considerable strain, was never brought up during his meeting with Mrs. Aquino. He said Beijing, however, continues to closely watch the developments relating to the agreement, such as the forthcoming meeting of the Cabinet cluster on political affairs and security. The cluster will meet on Wednesday and determine what the Aquino government should do about the agreement.

The donation for the Pinatubo victims would consist of clothing, acrylic blankets, medicines, kerosene lamps, stainless tableware, and milk powder. Earlier, the Chinese Red Cross donated P556,000 [Philippine pesos] in cash to the Philippine National Red Cross.

Upon hearing of the floods in China, Mrs. Aquino in turn expressed her sympathies and concern. The Chinese embassy officials said the President instructed the

Department of Foreign Affairs to see what can be given to China by way of assistance.

In the same meeting, Huang told Mrs. Aquino that the 100 buses promised by Chinese Premier Li Peng during his visit to Manila last December are ready to be turned over to the Philipine government. The turnover will be made in two days.

Power Corporation Receives 'Reward' From Japan

HK1707150091 Manila THE CHRONICLE in English 17 Jul 91 p 7

[Text] Japan Export-Import Banks [Eximbank] is extending another $150 million loan to the National Power Corp. (NPC) this year as "reward" for the Philippine gesture in the Paris Club rescheduling talks held last month.

Eximbank Manila representative Kazunori Umeda told THE CHRONICLE the Japanese government is "very pleased" because the Philippines did not ask for the condonation of its debts from bilateral creditors during the negotiations.

Instead, he said, the Philippines only sought from creditors longer maturities and concessional rates to ease the country's heavy debt burden.

Umeda said the new loan, to be co-financed by the World Bank, is not tied to a specific power project but can be used by NPC to procure parts and materials needed in its operations like transmission lines.

The loan carries a commercial interest rate of 7.7% per year based on the prevailing cost of fund in Japan.

Umeda said loan negotiations are to start either in August or September. The loan will most likely be disbursed by yearend, he assured.

The $150 million loan is on top of another $150 million Eximbank is committed to disburse during the year for the Masinloc coal power plant in Zambales.

"We're just waiting for NPC to get the approval of the residents of Masinloc before we release the loan," Umeda said.

Masinloc residents have lobbied for the scrapping of the plant which they said poses a serious threat to the environment.

The loan for the Masinloc plant is being co-financed by the Asian Development Bank.

Umeda added that Eximbank is committed to extend financing to at least 10 geothermal plants which NPC plans to build in the future. "We see the potential of geothermal energy in your country," he explained.

Meanwhile, he said Japanese businessmen remain wary despite the passage of foreign investment law which allows foreigners to acquire as much as 100% stake in domestic enterprises in the Philippines.

"Most of them are waiting to see how the political situation here shapes up in the 1992 election," Umeda said.

Eximbank offers loans to Japanese businessmen to finance business operation in the country.

Umeda said he does not see any major shift in Eximbank lending policy for the Philippines in the coming years.

"The good debtor policy of the Philippines is paying off in terms of increased willingness of bilateral creditors to offer more loans," he said.

Asia-Pacific Region Urged To Share Development

HK1707150991 Manila THE CHRONICLE in English 17 Jul 91 p 7

[By Lito Zulueta]

[Text] President Aquino today called on the economic managers of Asia-Pacific nations to help each other grow and, thereby, enable the whole region to enjoy the fruits of economic development.

"(The) overriding concern in Asia today is no longer simply development, but sharing in development, primarily through the creation of more economic opportunities in the region," Mrs. Aquino said before the Asian Securities Industry Institute Conference at the Fiesta Pavilion of the Manila Hotel.

"We in Asia cannot afford to have two faces of growth, one characterized by progress and development and the other, by poverty and underdevelopment."

She expressed hope that the international community would "provide the experience, expertise and networking as well as foreign resources, to augment the domestic resources, which in many Asian countries, are severely lacking."

The President noted that a handicap of the Philippines and other "perpetually developing" countries in Asia was "the dearth of medium and long terms funds, a condition traceable to the absence of or lack of a domestic capital market."

"But while the Philippine capital market has not grown as much as those of our neighbors, we are, however, proud to say that we too have produced world-class entrepreneurs such as the people behind Clemente Capital, one of the major organizers of this conference," the President said.

She also commended the other organizers, namely the Development Bank of the Philippines, Philippine National Bank, Securities Industry Association, Association of Investment at the Wharton School of the University of Pennsylvania, and all those actively working "to make development a concrete reality in our time."

Aquino Announces De Villa New Defense Chief

HK1707092291 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Jul 91

[By Dick Synchongco of DZRH Unit No. 6]

[Text] President Cory Aquino formally announced today the appointment of former AFP [Armed Forces of the Philippines] chief of staff General Renato de Villa as new defense secretary.

The president made the announcement after she met with Defense Secretary Fidel Ramos in which she expressed her acceptance of Ramos' resignation.

The president also said in an ambush interview at Malacanang Palace...

[Begin Aquino recording in English] Well, formally, I have already informed Secretary Ramos that I'm accepting his resignation and I also thanked him for the years of service not only to me and the government but also to our people, especially where our Constitution and democracy is concerned. I am going to appoint General de Villa as his successor. He will take his oath of office on Friday and I will be submitting his nomination to the Commission on Appointments. [end recording]

Following this, President Cory Aquino expressed hope that the Commission on Appointments will confirm the nomination of De Villa as new defense secretary.

We would like to repeat, the president has formally announced her choice of former AFP chief General Renato de Villa as replacement for resigned Defense Secretary Fidel Ramos. His oath taking is scheduled to take place here at the Malacanang Palace on Friday and the president has also emphasized that De Villa was her personal choice.

'Progressive Bloc' Said To Eye New Alignment

HK1607101291 Davao City THE MINDANAO DAILY MIRROR in English 9 Jul 91 pp 4, 15

[By Jowel Canuday of Media Mindanao News Service]

[Text] Davao City (MMNS) [Media Mindanao News Service]—A member of the so-called "progressive bloc" in the Lower House recently said members of the bloc are eyeing a political alignment with dominant and traditional political parties to help them effectively pursue the "peoples agenda."

Rep. Gregorio Andolana (North Cotabato) in an interview with MMNS said political alignment is the only way to push for "people's empowerment."

"We have to play politics well in the House. Kapag hindi ka marunong magdala [If you don't know how to go along], your bills will never make it to legislation," said Andolana, who won as Partido ng Bayan [People's Party—PnB] bet in the 1987 congressional elections.

Andolana, now closely identified with the ruling Laban ng Demokratikong Pilipino (LDP) [Struggle of the Philippine Democrats], said his affiliation is "a matter of political tactic."

Although he denied having officially joined the LDP, Andolana admitted that the only way to gain an upperhand in the 1992 polls is to sign up with a dominant political party.

Andolana cited Rep. Venancio Garduce (Northern Samar), the only other PnB candidate to win a Congressional seat in 1987, who is now the chairman of the LDP in his district.

Andolana said "good working relations" have been established by the PnB with Garduce, who had bolted the left-leaning party in 1989.

He also cited Rep. Bonifacio Gillego (Sorsogon), who ran under the moderate National Union of Christian Democrats,is also closely aligning with the LDP to push for greater support in his programs.

During its recent national congress, the PnB hinted at a political alignment with dominant political power blocs for the coming elections.

Loretta An Rosales, chairperson of the Bagong Alyansang Makabayan [New Nationalist Alliance] and member of the PnB preparatory committee, said the PnB has held "informal talks" with the PDP-LABAN [Nation's Strength] and the Liberal Party to agree on common issues and discuss the possible fielding of "common candidates" for the 1992 polls.

Andolana said the PnB may not nominate any candidate for national posts including those for the lower house to give way to its thrust on political alignment.

Andolana said he has observed political alignment among the members of the minority into a common party or a united opposition to be evolving in the House.

He said the Nationalista Party, the largest opposition group in the House, will most likely challenge the LDP for leadership in the lower house.

"There will come a time when only dominant political parties will be left," Andolana said.

Finance Secretary Discusses Economy, Bases

HK1707124791 Quezon City ABS-CBN 2 Television in English 1430 GMT 15 Jul 91

[Interview with Finance Secretary Jesus Estanislao on "Options" program by hosts Antonio Abaya, Teodoro Benigno, and Miguel Romero—live;]

[Excerpts] [passage omitted] [Abaya] Mr. Secretary, you talked about interest rates going down from 32 down to 17 this week, but on the other hand, inflation rate has been going up at the rate of 22 to 24 percent. If this keeps up, interest rates going down, inflation rates going up,

those who have sense of placements will find no reason to keep their money in pesos and will convert into dollars and each time there's risk of having capital flights. What are you doing to stop inflation?

[Estanislao] That is possible, Tony, but let me just correct the interrelationship. It is true that when I talk about the treasury bills, the interest rates, that's over a period of 90 days. Naturally, we look at the three months moving average of inflation cut down to 11.2 percent per year. So 11.2 as against the 17 is not such a bad deal for people who can take advantage of treasury bills.

[Abaya] Is it economically viable to keep lots of placements even with inflation rate of 24 percent?

[Estanisalo] The 24 percent or the 19 percent which was the last today that was cited was this month as opposed to the same month last year. But that is not the way how the interest rates are factored in because we're looking at 90 days. So, what we need to do is to compare 90-day rates, interest and inflation rates.

[Abaya] And you're saying we still have the power in outreaching a point where the thing will collapse?

[Estanislao] I don't think so. The financial system is very strong and I'm quite pleased with the way how the banks have been building of course the improvement that one can introduce. But the financial system is stable.

[Abaya] What are you doing about inflation?

[Estanislao] We are trying to break that inflation cycle precisely by keeping the fiscal deficit down. Because if you are really looking for one major cause of inflation in this country, it is that the government keeps on borrowing and everybody is just lending to the government instead of lending to private business. So, my job is to keep those public deficits down so that inflation will go down.

[Abaya] Thank you.

[Romero] Two weeks ago, you were in Paris with the governor of the Central Bank to attend another session of the Paris Club, which is the club of the bilateral, multilateral creditors of this country. Can you give us the idea, the general tone of the meeting, Mr. Secretary, and would you in particular say something about their reaction to our continued failure to implement Executive Order [EO] 413?

[Estanislao] Well, Rudy, I meet various international groups. Last February, I met the donors that pledged $3.3 billion. They were full of suggestions because that was the beginning of our economic stabilization program. In Paris a couple of weeks ago, we have the first semester to show and they were all praises about what we have done with the Philippine economy, how we have stabilized, how we have brought down interest rates, how we have made sure that exchange rates will remain stable. So there were praises for us. Now in Hong Kong, EO 413 figured prominently. But we did indicate to them in Paris that we are very concerned about introducing all of these remaining reforms that need to be done so that we can bequeath a much better economic system to the next administration.

[Romero] And Mr. Secretary, one thing I wanted to ask you also. In so far in your discussion of the prospects of the deficit in 1991, nothing was said about counterpart financing. We've been so absorbed with Pinatubo. What are the prospects here for raising financing in the face of agitation for a reduction in government revenues because of this...

[Estanislao interrupts] If we stick with the 26 billion peso deficit, we will have enough money as to be able to provide the counterpart financing for all of this foreign money that is coming in. Now, my concern is 1992. If we show all options to the rest then we will be forced to cut back on government spending and we will find that they cannot have the peso counterpart funds for these foreign-assisted projects. And what will happen is that we'll lose the opportunity of using those foreign exchange resources that are coming in and yet what is even worse for our people is that the growth would be slowed down, would be postponed, and roads would not be built, bridges will not be fixed.

[Benigno] Mr. Secretary, the eruption of Mt. Pinatubo appears to have badly wounded this soft underbelly of Philippine-American relations in relation to the bases. Now they are indicating that they may have to pull out of Clark Air Base. They might have to lower the amount of the rental or whatever assistance they will have to give to the Philippines. How would this affect the financial posture of the Philippines if the Americans get out of Clark Field?

[Estanislao] Teddy, I can confirm to you that they are pulling out of Clark and they will concentrate on Subic. But one thing which has been very clear in my mind from the very beginning is that we cannot look at these negotiations as though these were accounting figures. What I have been aiming for, and I think the president has endorsed this, would be a total package that would be free and independent of the bases, because after all, we are talking about Philippine-American cooperation. And so, I have been always looking at an entire package which will enable them to provide us with the resources to carry on our development program. And I don't think that commitment has changed. If at all there have been some changes, it's just in the military component of whatever agreement we can enter into. But the wider economic package is being left untouched. My own sense is that precisely because of Pinatubo, if we handle these negotiations properly, we can get a much bigger amount than what we originally bargained for.

[Benigno] I have a followup. Mr. Secretary, supposing, just supposing, that by some quirk of circumstances and in the negotiations, the Americans should decide to pull their bases out of the Philippines, what would be the consequences to this country?

[Estanislao] I think that if they pull out simply because it is a judgement on their part that they can not use both bases, both Clark and Subic, there will be some adverse impact but not very much. But if they pull out because we are perceived as having a different set of attitudes toward the United States, then I think it will have an adverse impact, a big one on investments and on business opportunity.

[Abaya] Mr. Secretary, I'd like to go to another topic. Next year, 1992, the European Community would become one economic kingdom. But even ahead of the EC, the North Americans, Americans, Canadians and Mexicans, have formed a North American Free Trade Agreement, preempting the EC in effect. In my opinion, NATA, the North American Treaty of Associations, is more deleterious to the Philippine economy than EC, consideration that Mexico produces many of the things or most of the things that we export to the United States. Now, what is the Philippine Government doing to cushion this potentially catastrophic development?

[Estanislao] We're doing two things. Number one of course is to make sure that we contribute to the overall international trading order. But more important to us in defense of our own economic interest is for us to abandon the policies of (aid) which was so related on the production of (modes) and we reenter the international economic arena with liberalization and open extradition, as referring to aliens. Because for as long as we protect domestic industries and subject them to enough competition, we will always be at a disadvantage compared to everybody else. But if we now go and masterly enter into the international economic arena openly legalizing our economy, I think we would be in a much better position to...

[Abaya interrupts] Which precisely Mr. Secretary, these two blocs are seeking protection of unions which will keep us out of their markets. If you realize you'll not be sort of in favor because you're blocked out.

[Estanislao] I think there is misconception there. The advantage that we have, Tony, is that even though Europe is important, the North American market is very important. We're part of the dynamics that is going on internationally but above all throughout here in Asia. And my own suggestion, Tony, let us try and trade with as many countries as possible recommending that within Asia alone, you have the highest rates of growth in terms of intertrade.

[Abaya] Are you in favor of setting up a free trade bloc within Asia perhaps led by Japan, as proposed by Malaysia?

[Estanislao] Well, actually I am in favor of greater international liberalization of the Philippine economy, taking advantage of whatever facilities Asia presents to us but also competing in the United States.

[Abaya] How would you compete with Mexico? They have no more tariff barriers...

[Estanislao interrupts] There are a number of industries in which we still can continue to compete. [passage omitted]

[Benigno] Mr. Secretary, the Cory Aquino administration is winding down. It has barely 11 months to go and so, we would like to get your indications or prognosis for how the economy will function for the rest of her term. What do you think the GNP growth, if any, for the year 1991. What do you think, as a matter of fact, could be the kind of program you will have to initiate to recover from the devastation of Mt. Pinatubo? How will the economy look after the end of this year and after the end of Cory Aquino's term?

[Estanislao] Teddy, it depends very much on how we handle this oil price issue. You know this is very important and this is in effect the dividing line. If we handle this properly, I think the Cory administration will end with more than an average mark with respect to economic performance. I think that we will have done most of the reforms that we wanted to do and we will be able to bequeath an economy that the next administration will be in a better position to push further towards progress and towards development. But if we don't handle this properly, I really dread this administration going into precisely the election season with much higher unemployment, there's no economic growth, worse higher deficits and very high prices. That I think is what the opposition would like this administration to end up with and we are resisting it every inch of the way.

[Benigno] Mr. Secretary, I'd like to ask you a last question but time again has scored up on us, so we would appreciate if you have some further remarks to give to our audience.

[Estanislao] The only thing that I can say to our people is that economic issues really are very simple if we have no (guns) within the economic sphere. The moment we begin politicizing many of the economic issues such as oil pricing, that I think will open a pandora's box. The consequences are which, the contents are which we do not know. And as I said, we run the risks of having an explosion. So, my hope and my appeal is that let's keep this within the economic sphere. Let's discuss this with all of the facts, with all of the prognosis that our experts can float into the discussion. But by all means, let us not politicize too much any (uncalled) economic issues.

Says Country's Economy Stable

HK1607131591 Quezon City Radyo ng Bayan in Tagalog 1000 GMT 16 Jul 91

[Text] Finance Secretary Jesus Estanislao today said that the country's economy is stable despite the damage sustained from the Mt. Pinatubo eruption. Estanislao also believes that the country can post an average of four percent average annual growth in this year's second semester. Meanwhile, the secretary added that the government will carry out necessary measures to augment

the needed money for the rehabilitation of the infrastructure projects destroyed by Mt. Pinatubo eruption. Here is Jojo Ismael with more details:

[Begin recording] In his testimony before the Senate committee on ways and means, headed by Senator Mamintal Tamano, Secretary Estanislao said that the country's economic managers were unanimous in that decision due to the increase in the number of unemployed people and displaced families as a result of the Mt. Pinatubo eruption. [as heard]. Estanislao also told the Tamano committee that Malacanang will endorse a three-step tax measures on Monday when the Congress opens its fifth sesssion. These tax measures are expected to yield 22 billion pesos which is needed for the rehabilitation of Pinatubo-damaged areas. These measures include additional income tax from business and professional income earners, additional value added tax and the revision of the specific tax for petroleum products. [end recording]

Increased Crime Rate Concerns Vice President

HK1507064891 Manila MANILA BULLETIN in English 15 Jul 91 pp 1, 28

[By Olaf S. Giron]

[Text] Vice President Salvador Laurel expressed concern yesterday over the increasing incidence of violent cases in Metro Manila and other parts of the country in recent weeks as he deplored the "seeming helplessness and paralysis of the government in enforcing law and order."

At the same time, the vice president strongly batted for the restoration of the capital punishment—death.

"The Aquino government must sternly and swiftly enforce the law or the people will lose whatever little faith is still left in our government institutions," Laurel told a joint meeting of Rotary clubs in Cagayan de Oro City yesterday.

He pointed out that Metro Manila has been rocked by an unprecedented spate of violence involving broad daylight killing of prominent and ordinary citizens in the streets and in their residences.

Citing statistics, the vice president said that before the recent series of killings, an average of 16 murders were reported daily and not one of the killers was caught. "This number could actually be bigger if we are to include the unreported cases."

Laurel said that "order is not only heaven's first law—it is freedom's first condition. Government must protect life, liberty and property or it has no reason to exist."

To this effect, he said he is now inclined to throw his full support behind the snowballing clamor for the restoration of the death penalty.

Laurel also urged a reexamination of the penal system, including unclogging, dispersal and relocation of the national penitentiary in Muntinlupa.

The vice president came to Cagayan de Oro City on a two-day swing of Mindanao for dialogues with local officials and Nacionalista Party leaders.

Official: NPA To Sabotage National Strike

HK1507122791 Quezon City ABS-CBN Broadcasting Corporation DZMM in Tagalog 1100 GMT 15 Jul 91

[Text] The New People's Army deployed in Manila will sabotage the national strike scheduled for Thursday [18 July]. This was disclosed by Interior and Local Government Secretary Luis Santos. He said that the Communist Party of the Philippines [CPP] has ordered the urban guerrillas to disrupt the strike. This strike will be participated in by the Church of Christ group. Santos stressed that any violence during the strike would surely be blamed on the police. Santos called on the strike participants not to push through with their plan. The CPP, he said, has really been planning to overthrow the present administration.

RAM Issues Manifesto of Support for Protest

HK1707144591 Manila Manila Broadcasting Company DZRH in Tagalog 0800 GMT 17 Jul 91

[Text] The Revolutionary Nationalist Alliance or RAM [civilian counterpart of the Reform the Armed Forces Movement] issued a manifesto yesterday expressing its support for the protest action to be launched tomorrow by the militant 1 May Movement. The manifesto also contained an appeal to comrades in the military to sympathize with the protesters so as to bring to the government's attention the complaints of the people.

According to Gabriel Dipasupil, spokesman of RAM, its support for the protest action will be carried out peacefully. RAM also criticized the present administration for its inclination toward the interest of foreigners and its refusal to roll back the prices of petroleum products.

Secretary Urges Protest Action Remain Peaceful

HK1707064491 Manila Far East Broadcasting Company in Tagalog 0100 GMT 17 Jul 91

[Text] Interior and Local Governments Secretary Luis Santos has called on rebel groups not to join in the planned national strike. He said the government will employ all means to ensure the mass action scheduled for July 22 to protest the oil price rollback will be orderly. Secretary Santos has ordered General Levy Macasiano and Colonel Remy Macaspac, who are both members of the Iglesia ni Kristo sect, to lead the security forces of the Philippine National Police and take charge of arrangements ensuring that the mass action by various groups is peaceful.

This call was made by Secretary Santos after confirming military intelligence reports that the CPP-NPA [Communist Party of the Philippines-New People's Army] plan to take advantage of the national strike.

Meanwhile, the Young Officers Union [YOU] has assailed the Aquino Government for its continued opposition to what they say is the just request of the people to bring oil prices back to their former level before 5 December 1990. YOU spokesman Captain Jose Madlangbayan said they are supporting the planned protest movement. He also called on members of the police and military to protect the rights of citizens during the mass action planned from 18-22 July.

Bank Bombing Suspect Admits to RAM Membership

HK1707050691 Manila Far East Broadcasting Company in Tagalog 0100 GMT 17 Jul 91

[Text] The authorities believe the recent bombings of two banks in Quezon City and Sampaloc, Manila, are part of the destabilization campaign against the Aquino Government by ultrarightist groups. The Central Police District foiled a third bombing attempt when they arrested a former Army corporal who had been ordered to place a bomb in another bank in Quezon City. Army Corporal Edwin Palad admitted planting a bomb was part of an initiation rite before he could become a full-fledged member of the Reform the Armed Forces Movement [RAM].

Thailand

Minister 'Satisfied' With U.S. Copyright Talks

BK1607142891 Bangkok Army Television Channel 5 in Thai 1230 GMT 16 Jul 91

[Text] Commerce Minister Amaret Sila-on held a press briefing at the Commerce Ministry today to report developments in the Thai-U.S. talks on intellectual property rights. He said he is satisfied with the U.S. attitude of late because the United States has stopped insisting on a deadline for amendment of the Thai law. Thailand has taken tough action in cracking down on pirated music cassettes and videotapes as well as manufacturing equipment. Many people have been arrested as a result. He said the government will continue to suppress copyright violations.

Concerning patent protection, the minister said more talks will be held because the United States has demanded retroactive protection for pharmaceutical products that have not been marketed in Thailand, but Thailand has rejected the demand. The United States insists that the system has already been accepted in several countries in Eastern Europe, but Thailand has said this violates the basic principle and is internationally unacceptable.

Minister Forsees Problems in U.S. Patent Talks.

BK1707041391 Bangkok BANGKOK POST in English 17 Jul 91 p 28

[Text] The transitional patent protection for pharmaceutical products and compulsory licensing will still be a stumbling block in resolving the Thai-US trade dispute on intellectual property rights protection.

Commerce Minister Amaret Sila-on said yesterday that the two parties still had differences on the issues which would be discussed by top-level officials in the next round of talks, where he hoped a beneficial outcome would be found for both countries.

He said US Ambassador Daniel O'Donohue, who called on him last week, submitted a summary report on the progress of negotitations in Washington last month.

The US demand transition protection for pharmaceutical products which have not been marketed in Thailand but may have been marketed elsewhere, he said.

But Mr Amaret said Thailand could not accept the US demand because it was not in line with the international standard practice and the Uruguay Round of General Agreement on Tariffs and Trade (GATT) talks.

Under Section Six of the draft amendment of the Patent Act, only new drugs, not registered elsewhere for more than one year, would be accepted by Thai authorities for further registration.

He said Thailand also rejected the US demand to set a weakening condition on compulsory licensing, because the Thai Government had to set tough conditions on patent holders to give their assurance that they would not use their exclusive rights to take advantage of the public.

On other trade disputes, Mr Amaret said the Bush Administration was satisfied with the progress of the Thai Government, particularly on the enforcement of Thai copyright laws.

He said last week's raid by the task force of the Economic and Finance Crime Suppression Division on one of the largest suspected music tape producers, had shown Thailand's attempt at enforcement.

The police task force has intensified its campaign with the International Federation of the Phonographic Industry (IFPI) to crack down on major suspected pirates. Last week it succeeded in seizing machines and equipment which were used to make illegal videotapes and cassettes.

Mr Amaret said the US was also satisfied with the Thai Government's progress in tabling the trademark bill for approval by the National Legislation Assembly.

U.S. Union To Press Workers' Rights Complaint

BK1707022191 Bangkok THE NATION in English 17 Jul 91 p A4

[Text] A Major American labour organization insisted yesterday it would continue to push the United States government to remove Thailand's privileges under the US Generalized System of Preferences [GSP] because of what it charged were infringements on workers' basic rights by the Thai government.

Phillip Fishman, a Bangkok-based representative of the American Federation of Labour and Congress of Industrial Organizations (AFL-CIO), denied that the group had reached an agreement with the Thai government to withhold forwarding the petition to the Office of the US Trade Representative [USTR].

"The AFL-CIO neither withheld nor made any agreement with the Thai government that would lead to the withdrawal of the complaint whether or not a labour ministry is created," Fishman said.

Deputy Labour Director General Prasit Chaithongphan said over the weekend that the AFL-CIO had agreed to withhold the complaint pending a Thai government decision on the proposed upgrade of the Labour Department into a ministry.

The deputy director general stated that the American labour group considered the proposed labour ministry a positive development that demonstrated the Thai government's determination to improve efficiency in labour issues.

Prasit could not be reached for comment yesterday.

Fishman, also director of the Asian American Free Labour Institute in Thailand, said it was too late to withhold the AFL-CIO's petition because it had already been presented to the USTR Office, which was expected to announce its decision whether to accept it yesterday.

However, he said the decision could be delayed by one or two weeks depending on procedural process.

"But it would be very surprising to the AFL-CIO if our petition is not accepted to review Thailand's privileges under the GSP given what happened in Thailand," the director said.

Fishman said any development in the labour situation in Thailand that might convince the USTR not to review Thailand's privileges under the GSP would have to be a significant step toward the full restoration of workers' rights.

"And I believe the creation of a labour ministry is not one of the criteria," he said.

The American labour group has accused the Thai government of "flagrant" denial of workers' basic rights in disbanding all state enterprise unions in April and an end to their rights to strike.

The Thai government, in taking the drastic action, reasoned that state enterprise unions had been an impediment to Thailand's economic development.

Unionists from state enterprises, which control all major public utilities, had grown so powerful so as to be able to intimidate civilian governments over the 10 years preceding the military takeover in February.

Fishman said if the USTR accepted the AFL-CIO petition, a public hearing would be held in Washington D.C. before the USTR would submit a recommendation by year-end on the matter to the US president.

Suchinda: No Plans To Buy Weapons From PRC

BK1607131791 Bangkok Army Television Channel 5 in Thai 1230 GMT 16 Jul 91

[Text] General Suchinda Khraprayun, Army commander and vice chairman of the National Peace Keeping Council, left for a visit to China this morning at the invitation of Chinese military leaders and to deliver on behalf of the Thai government articles worth 5 million baht for the Chinese flood victims. Speaking to reporters before departure at the airport, Gen. Suchinda said there would be no negotiations of any kind during the visit, including on military matters.

[Begin recording] [Unidentified reporter in progress] ...on weapons?

[Suchinda] No, there is nothing concerning matters of weapons. There will be no negotiations of any kind.

[Second unidentified reporter] Do you have a shopping list?

[Suchinda] No, I have no shopping plans. [end recording]

Official Blames Malaysia for Deteriorating Ties

BK1707020591 Bangkok BANGKOK POST in English 17 Jul 91 p 1

[Text] Relations between Thailand and Malaysia are not as good as they were because Kuala Lumpur is not very cooperative, National Legislative Assembly Foreign Affairs Committe deputy chairman Praphat Limpaphan said yesterday.

Mr Praphat, a former deputy foreign minister, said the panel held a hearing on Thai-Malaysian problems yesterday with Foreign Ministry officials testifying before the committee.

The officials said that Thai-Malaysian problems are handled through two committees: the Thai-Malaysian Border Committee chaired by the Defence Minister and the Thai-Malaysian Relations Committee chaired by the Foreign Minister.

Thai Foreign Minister Asa Sarasin will go to Malaysia tomorrow for the ASEAN Foreign Ministers' meeting

and will propose that the Thai-Malaysian Relations Committee meets more frequently instead of once a year.

The committee should also be made smaller to make problem-solving easier, the officials told the panel.

Mr Praphat said many problems are connected with taxation of tourists returning to Malaysia across the southern border, forestry and fisheries.

Malaysia demands that all Thai fishing vessels passing through its territorial waters get prior permission.

Mr Praphat said innocent passage to international waters is guaranteed by the Laws of the Sea and Thai vessels should not be required to ask for such approval.

There are also problems of border markers being contested and this matter must be solved through political means, he said.

"The committee feels Malaysia has an attitude that is not in keeping with the spirit of cooperation. For example, it has developed Langkawi island as a direct competitor to Phuket instead of cooperating to develop tourism in the region as a whole," Mr Praphat said.

He said committee members also complained that during negotiations Thai officials usually give in to Malaysian demands while Malaysian officials do not compromise on anything. Foreign Ministry officials said they try to be flexible when the issue at hand does not affect national security.

Asked about his group's attempt to form the Democracy Party and the reported defection of former MPs [members of parliament] to the military-supported Samakkhi Tham Party, Mr Praphat said everything is in a state of flux since the Constitution has not yet been announced.

He said key party figure Subin Pinkhayan had said he would wash his hands of politics for a while and go overseas to further his studies.

"I think it would be for short courses since Mr Subin already has a PhD," Mr Praphat said.

On reports that former Chon Buri MPs Charun Ngoemphichet and Nikhom Saencharoen are also leaving to join Samakkhi Tham, Mr Praphat said they have not yet officially told the party of their intention to resign.

Anan Wants To Reopen Embassy in Cambodia

BK1707024791 Bangkok BANGKOK POST in English 17 Jul 91 p 7

[Text] Prime Minister Anan Panyarachun has told Chea Sim, National Assembly chairman of the Phnom Penh Government, that Thailand wants to be the first country to reopen its embassy in the capital.

Mr Anan made this remark to Chea Sim at Ban Phitsanulok last night, Foreign Ministry spokesman Sakthip Krairoek said.

Mr Chea returned from a two-day visit to Japan yesterday and met National Peace Keeping Council chairman Gen Sunthon Khongsomphong before meeting Mr Anan.

He thanked Thailand for helping arrange for the four Cambodian factions to meet in Phatthaya. The meeting turned out to be a success.

Mr Anan said he wanted to see a quick settlement by the four factions and restoration of peace and order in Cambodia. He wished them further success in their next meetings.

Mr Sakthip said Thailand is checking documents to find out if the former Thai embassy in Phnom Penh belongs to Thailand.

"If it belongs to Thailand, we will see if it is still suitable for an embassy. If not, we will have to look for a new place," Mr Sakthip said.

The Foreign Ministry has asked the Premier to help with the upkeep of the Cambodian embassy on Ratchadamri Road in Bangkok because it will be used for further meetings on the Cambodian problem.

Central Bank To Allow Sale of BCCI Stake

BK1707014591 Bangkok THE NATION in English 17 Jul 91 p B22

[Text] The Bank of Thailand will not prevent the sale of Bank of Credit and Commerce International's [BCCI] stake in its Thailand affiliate, BCC Finance and Securities Co, for the time being, but will continue to closely monitor the local unit's operations to prevent any damage which may occur.

Deputy chief of the central bank Ekamon Kiriwat dismissed reports that the bank would block the sale of BCCI shares as groundless, saying that there is no reason to do so.

However he stressed that the central bank would like BCCI to withdraw from the local unit to minimize its role. BCCI was recently shut down by British banking authorities.

There also are reports that Surin Osathanukra and his associates are interested in buying the BCCI stake in BCC Finance and Securities.

The Thai finance firm is 35 per cent owned by the Arab Bank.

Ekamon said the central bank will only take action when necessary, stressing the local company is not yet in a position that warrants it.

Paper Views Membership of Political Parties

BK1707034591 Bangkok BANGKOK POST in English 17 Jul 91 p 4

[Editorial: "'White Envelopes' Must Be Outlawed"]

[Text] If the political developments following the February 23 coup d'etat had developed as they should, the latest pledge by the National Peace Keeping Council [NPKC] to promulgate the new constitution by October and hold general elections early next year as a New year's "gift" to the Thai public should have been cause for rejoicing. An early poll, after all, has become the rallying point of a growing number of intellectuals, students and politicians of various streaks.

Some may indeed have reason to rejoice, but a closer look at the events that have taken place over the past four months reveals some disturbing trends that may cloud the country's political prospects in the near term. That some of the larger parties in the former government, such as Chat Thai and Social Action, have been dealt a crippling blow by the assets examination is perhaps a blessing in disguise. For it became amply clear in the latter part of the Chatchai Chunhawan administration that leading personalities in these parties were more occupied with enriching themselves rather than serving the public interest.

What is worrying is the methods and circumstances by which the two "rising starts"—namely the New Aspiration and Samakkhi tham parties—have developed. Watchers of Thai politics will recall that during and after his brief stint with the Chatchai government, New Aspiration Party leader Gen Chawalit Yongchaiyut had criticised the conduct of old-school politicians and what he referred to as proliferating corruption in government circles. There were expectations that Gen Chawalit would usher in some new hope, but such expectations were dashed when the line-up of New Aspiration supporters revealed the types of politicians not dissimilar to those who used to be at the receiving end of his criticism.

More disturbing is the emergence of Samakkhi Tham and its reported linkage with key personalities in the NPKC leadership. Since allegedly rampant corruption among the politicians in the previous adminsitration was cited as one of the main reasons to justify the coup, simple propriety should dictate that the NPKC leadership steer clear of the very politicians they accused of wrongdoing. But alas, the line-up of Samakkhi Tham founders and suporters yet again showed the same old faces. Is this part of a blatant attempt by the NPKC leaders to perpetuate their power in the post-election government as many critics have charged?

Amid the apparently intensifying rivalry to potential candidates for the forthcoming electoral contest, Democrat Party leader Chuan Likphai has claimed that certain political elements were offering high financial rewards to pull those with the potential to win into their camp. It would be a deplorable act if Mr Chuan's statement is true, for this is tantamount to a degeneration of what was already a corrupt electoral system—from vote buying to the buying of election candidates.

Against this background, the country's political prospects are far from encouraging. As a matter of principle, there is nothing wrong with senior military officers desiring to enter politics. But political etiquette and propriety dictate that they should leave the military service and openly declare their intentions if they want to do so. On the other hand, the military top brass who have been commonly linked with Samakkhi Tham should sever all links with the party if they really have nothing to do with it as they claimed. The NPKC should also exercise its power to put to rest the alleged practice of "buying" potential political candidates.

The country's political situation at present and in the months to come is in a state of flux. Pending a finalisation of the electoral ground rules, overt and covert manoeuvrings are likely to intensify as the promised election date draws nearer. Among all the parties old and new, there are still a few that retain some consistency in their ideology and conduct. It is the duty of the citizens to follow the various developments closely and try to ensure that when elections come those with shady records are not voted in.

Vietnam

Commentary Views Presence of U.S. in Philippines

BK1707072491 Hanoi Voice of Vietnam in English 1000 GMT 11 Jul 91

["Radio Review"]

[Text] The Philippines has just received the John Hay military base, one of the four small-size U.S. military bases in that country. The handing ceremony took place on 1 July. The Philippines highly valued this U.S. move, describing it as of great significance and progress in the U.S.-Philippine negotiations on military bases in the future.

The U.S. and the Philippines have been negotiating on other U.S. military bases, including Subic Bay Naval Base and Clark Air Base. These are the two biggest bases of the U.S. outside its territory. The U.S. intends to maintain these bases in the Philippines. U.S. Rear Admiral Thomas Mercer was quoted by the paper USA TODAY as saying that 700 GIs of the naval construction division would arrive in the Philippines this month to rebuild the Subic Bay Naval Base. The U.S. and the Philippines will resume their talks on U.S. military bases in the middle of this month. The agreement on the U.S. use of these bases will expire in mid-September. There are differences between the two sides on financial issues and that is why a new agreement has not been reached.

Meanwile, the Philippines have shown resentment to the presence of U.S. military bases. More that 20,000 students, farmers and MPs [members of parliament] of

opposition parties in the country have demonstrated in front of the presidential palace, demanding the dismantlement of these U.S. bases.

In face of this situation, the U.S. hopes to sign a new agreement on this issue without changing the U.S. military strategic position in the region.

Public opinion in Southeast Asia has followed this issue with concern and vigilance. To ease tension and build Southeast Asia into a zone of peace, stability, cooperation and development are the common interests of peoples in the region.

Do Muoi Receives Japanese Delegation 12 Jul

BK1707061991 Hanoi Voice of Vietnam Network in Vietnamese 1430 GMT 12 Jul 91

[Text] On the afternoon of 12 July, at the Presidential Palace, Do Muoi, chairman of the Council of Ministers, received a delegation of the Japan-Vietnam Parliamentary Friendship Alliance led by Mr. Sakurauchi Yoshio, speaker of the Japanese House of Representatives, which was visiting our country.

On behalf of the Vietnamese Government and people, Chairman Do Muoi welcomed the visit of Mr. Sakurauchi Yoshio and other Japanese parliamentarians, considering it a manifestation of goodwill that contributed to strengthening bilateral relations. Chairman Do Muoi was pleased to learn that the delegation had obtained fine results in its meetings with the Foreign Relations Committee of the National Assembly, the Ministry of Foreign Affairs, and the State Planning Commission. He expressed his wish for further development in the economic cooperation betwen Vietnam and Japan in the interests of the people in each country.

On this occasion, Chairman Do Muoi asked Mr. Sakurauchi Yoshio and his party to convey his best regards to Japanese Prime Minister Kaifu and the other parliamentarians in the alliance.

On behalf of the Japanese delegation, Mr. Sakurauchi Yoshio expressed his joy at having the opportunity to visit Vietnam and thanked Chairman Do Muoi for granting the delegation a cordial audience. He expressed his wish for further consolidation and development of the relations of friendship and cooperation between the two countries and peoples.

Cambodian Prime Minister's Trip to PRC Viewed

BK1607155391 Hanoi Voice of Vietnam in English 1000 GMT 16 Jul 91

["Radio opinion"]

[Text] A delegation of the State of Cambodia led by Premier Hun Sen is in Beijing, China, to attend the informal SNC [Supreme National Council] meeting. Here is our radio view on this issue.

While the press circles and public opinion in many countries were strongly commenting on the results of the SNC meeting in Phattaya, Thailand, a surprising announcement was made, that is Beijing would play host to the next meeting of the SNC.

This active move by Beijing has been acknowledged and appreciated by the world public. Radio Moscow on July 11th held that Beijing had adopted a more flexible stance toward the Phnom Penh government by playing host to the SNC meeting and inviting Premier Hun Sen to visit China.

The same day, the BBC commented that China's move indicated a change in its foreign policy. This is proved through China's warm welcome given to Mr. Hun Sen and his party upon their arrival in Beijing.

As pointed out by a spokesman for the Chinese Foreign Ministry, Beijing welcomed Premier Hun Sen on equal footing with other Cambodian factions. What Mr. Hun Sen brings to the SNC meeting would satisfy the host and other countries. It is the State of Cambodia's goodwill for peace and untiring effort for an early solution to the Cambodian issue.

In a letter sent to the Cambodian people on the weekend, Premier Hun Sen said that he would exert all his efforts to reach common points on the issue to end the suffering of the Cambodian people.

The process for the settlement of the Cambodian question is progressing quickly as expected by everyone. This draws many countries to join their efforts. The five permanent members of the UN Security Council have decided to move their meeting from Paris to Beijing. Their meeting with SNC members will follow a two-day session of SNC in Beijing.

With these developments, public opinion is pinning hope on a good settlement of the Cambodian issue to meet the Cambodian people's aspirations. People are expecting fair results of the SNC meeting in Beijing and this is possible if the Cambodian sides show their goodwill and determination.